NHCN's 1983 Consumer Attitude Survey

Over 70% have too much/too little living area

(Continued from page 1)

The survey also discovered that:

- Baby boomers continue to be the most active home improvement group: 54% of Americans who recently completed a project and are planning another are under age 34. Half of all those who do the work themselves are also 34 years or younger;
- Homeowners, even those who hire a contractor to complete or assist in a project, often decide where materials are bought;
- Home centers are overwhelmingly the stores America turns to for building materials, but they lag behind other retailers as the place to shop for seven out of nine hard lines categories, and also trail discount and department stores in being thought of as a one-stop shopping source;
- The nation's strongest region for home improvement activity is the Midwest, chiefly because of its population density and older housing stock.

With so many households dissatisfied with the size of their current homes—35.4% claiming they have too much space, 37.3% saying they need more—and with the high percentage of homeowners who choose to move going into single-family units, the survey indicates that additional pressure will be applied to an already-strained housing market.

But a sizable portion of the survey's respondents are deciding, instead, to fix up their homes in lieu of moving, and the study details what projects these households might undertake, and how often.

In fact, about half of those households with too little space replied that they would either "definitely," "probably" or "maybe" do something about it within the next 12 months, although there was less urgency among the households with more space; only about a quarter planned any action.

Of the 14.3 million households that have too little space and are active home improvers, more than one out of five said they would engage in remodeling, with close to 9% thinking of adding a room. Another 5% said they planned to leave the house as is.

Among the 11 million active home improvement households with more space in their homes than necessary, more than two-fifths said they would use the space differently. The choices broke down to the simple task of closing off a room—which 5% of this group said they would do—to converting a bedroom, the intention of 11% of these households. Another 3% would remodel or make the room into an apartment; 6% said they would do nothing.

It should be noted, too, that, of those households with more space, that completed a $100-plus project last year, 38% hired a contractor, indicating that these homes are occupied, at least in part, by older persons whose children have left home. The survey showed that this age group is less likely to participate in DIY activity.

In those households that considered the size of their homes just right, 52% of those planning a $100 or more project would perform the task themselves, although among the homes in which a project had been undertaken, 47% hired a contractor. What is surprising is the relatively high percentage of projects both completed, and planned among households satisfied with the size of their dwelling.

The study found that households planning a $100-plus project in the next 12 months lived in the smallest homes. These residences are most likely occupied by baby boomers who, in the future, will be even more cramped for space and will in all probability go to the expense of remodeling.

Overall, however, all households involved in a home improvement project generally had slightly larger homes than the national average. But 52% of the "most active" households—those that planned and completed a $100-plus job and were planning another—insisted they needed more room.

While the study revealed a healthy propensity among homeowners to remodel their homes, a high percentage of households said they would eventually move rather than engage in a project of $100 or more.

Among households active in home improvement that complain of too little space, 53.8% said they might choose moving as an option. To households in this group with more space, moving appeared to be a less attractive alternative to remodeling: 38.9% said they might relocate.

There was considerable disparity between the national sample of households in the survey and those involved in a home improvement project with respect to their moving plans in the next 12 months: 25% of all households said they would "definitely," "probably" or "maybe" move in the next year, but only 16% of the active home improvement group had such ideas. And, while 72% of the total homes would not move in the next year, households involved in home improvement projects manifested an even greater stake in their homes: 84%—or four-fifths of the group—said that they would "definitely not" move in the upcoming year.

The survey asked the homeowner, if he were to move, would he buy or rent, and found that, nationally, 60% would choose to buy, a figure that rises to 82% of those households involved in a $100-plus project.

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Top home improvement projects
planned in next 12 months

Projects	% of H.I.Q.* households	% of all households nationally**
1. Paint/wallpaper	18.9%	4.1%
2. Kitchen remodeling	17.0	3.9
3. Bath remodeling	16.5	4.8
4. Adding a room	15.6	2.2
5. Tile/flooring	12.3	3.7
6. Carpeting	8.5	1.5
7. Adding porch/patio/deck	8.0	1.7
8. Garage/basement remodeling	6.6	1.1
9. Countertops/cabinets	6.1	0.9
10. Replacing plumbing	5.7	1.5
11. Room remodeling	4.2	1.1
12. Paneling	3.8	0.9
13. Windows/doors/siding	2.8	0.4
14. New ceilings/walls	2.4	1.1
15. Adding garage/shed	1.9	0.7
16. Insulation	1.9	0.4
17. Heating/ventilation	1.4	0.4
18. New roof	1.4	0.2
19. Wiring	1.4	—
20. Remodeling whole house	0.5	0.2

*H.I.Q. = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months
**1% = 835,000 households
— = Insufficient data

Source: National Home Center News; Leo J. Shapiro and Assoc.

Over 5 million of the 27.5 million households projected to be involved in a home improvement job of $100 or more said they planned to paint or wallpaper a room in the next 12 months, whereas nationally, the highest percentage of households said they planned to remodel a bathroom.

Home improvers tend to be more affluent

Compared to the average household nationwide, the typical home in which an improvement project has been completed or is being planned is likely to be more affluent, more highly skilled and occupied by more than one wage earner, according to a new survey by *National Home Center News*.

Over 65% of households that spent $100 or more on a home improvement project last year or plan one in the next 12 months have incomes exceeding $20,000. In comparison, only 52.2% of America's 83.5 million households achieve that.

Nearly 15% of the households involved in home improvement have incomes over $40,000. On the other hand, almost half of all households nationally have incomes of $15,000 or less, whereas among those involved in home improvement, that figure is only 37.5%.

When viewed from another perspective, the survey's findings show that while the combined household income of all homes averages $23,200, the income of households involved in home improvement projects is about 16% higher, or $26,900.

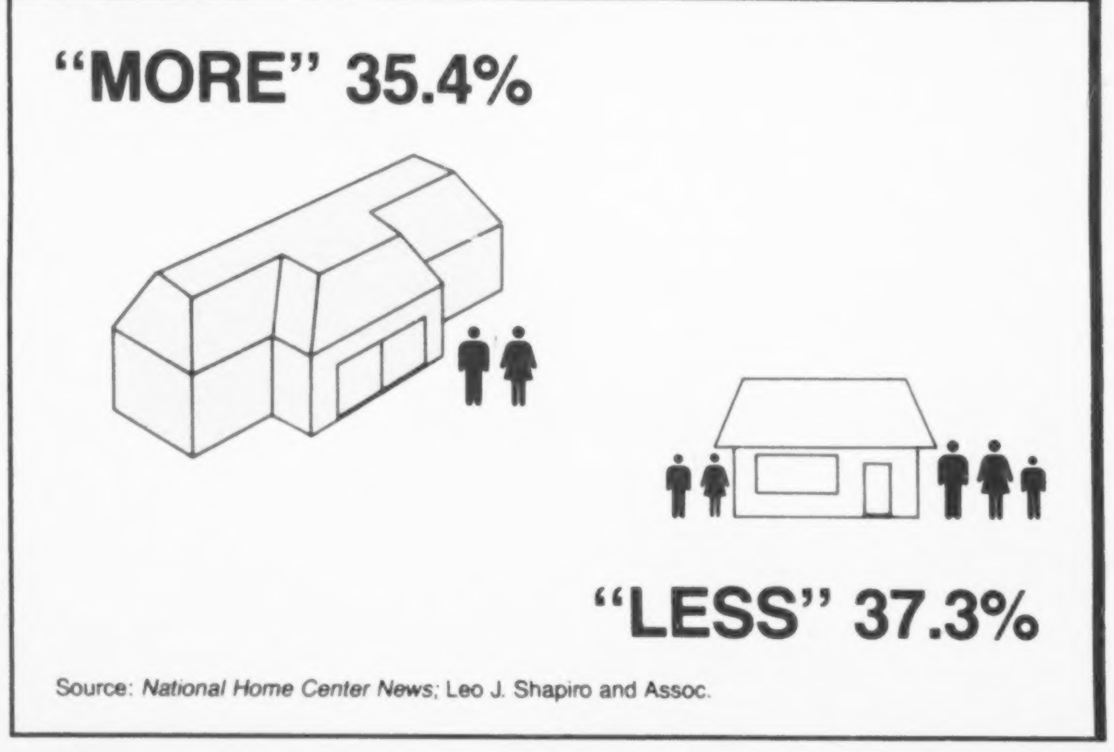
Within this specified group, the highest-income households are likely to hire a contractor to complete at least part of a project. Also, these households have not only done the work themselves, but are in the process of beginning another job.

The average household income among those DIYers who

(Continued on page 44)

CONSUMER PROFILE:

Do you have more or less space than you need?

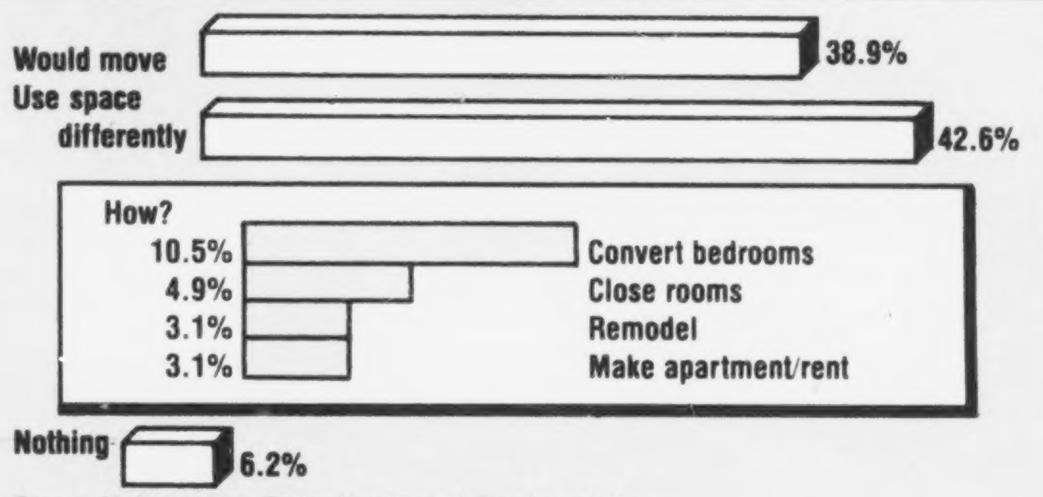


Source: *National Home Center News;* Leo J. Shapiro and Assoc.

"Mismatched" households—those with either too much space or not enough—account for 72.7% of the total nationwide and are major prospects for home remodeling and refurbishing.

CONSUMER PROFILE:

If more, what might you do?

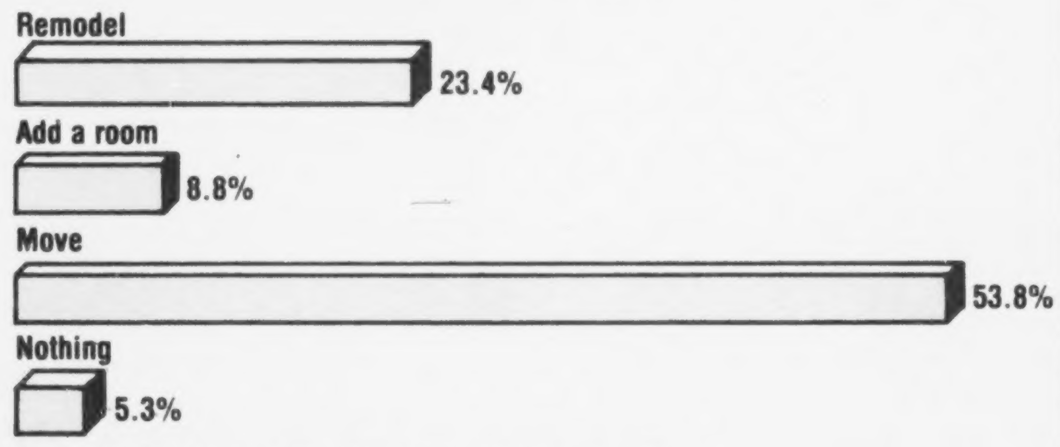


Source: *National Home Center News;* Leo J. Shapiro and Assoc.

The depression generation (45 years or older), which makes up 60% of the households with too much space, exhibited less urgency to move out of their homes. But 43% of the active home improvement households with more area than needed plan to use their home space differently.

CONSUMER PROFILE:

If less, what might you do?

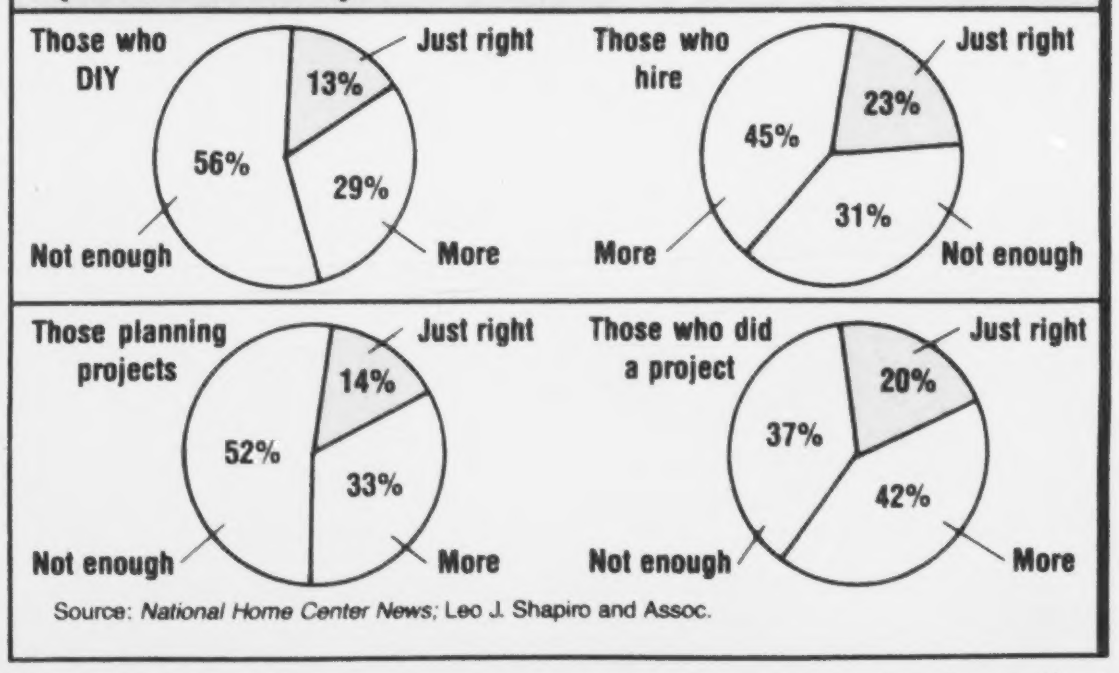


Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Baby boomers, who are proven DIYers, account for 63% of the households that don't have sufficient space, which explains why nearly 25% of households involved in home improvement projects would remodel their homes to gain space.

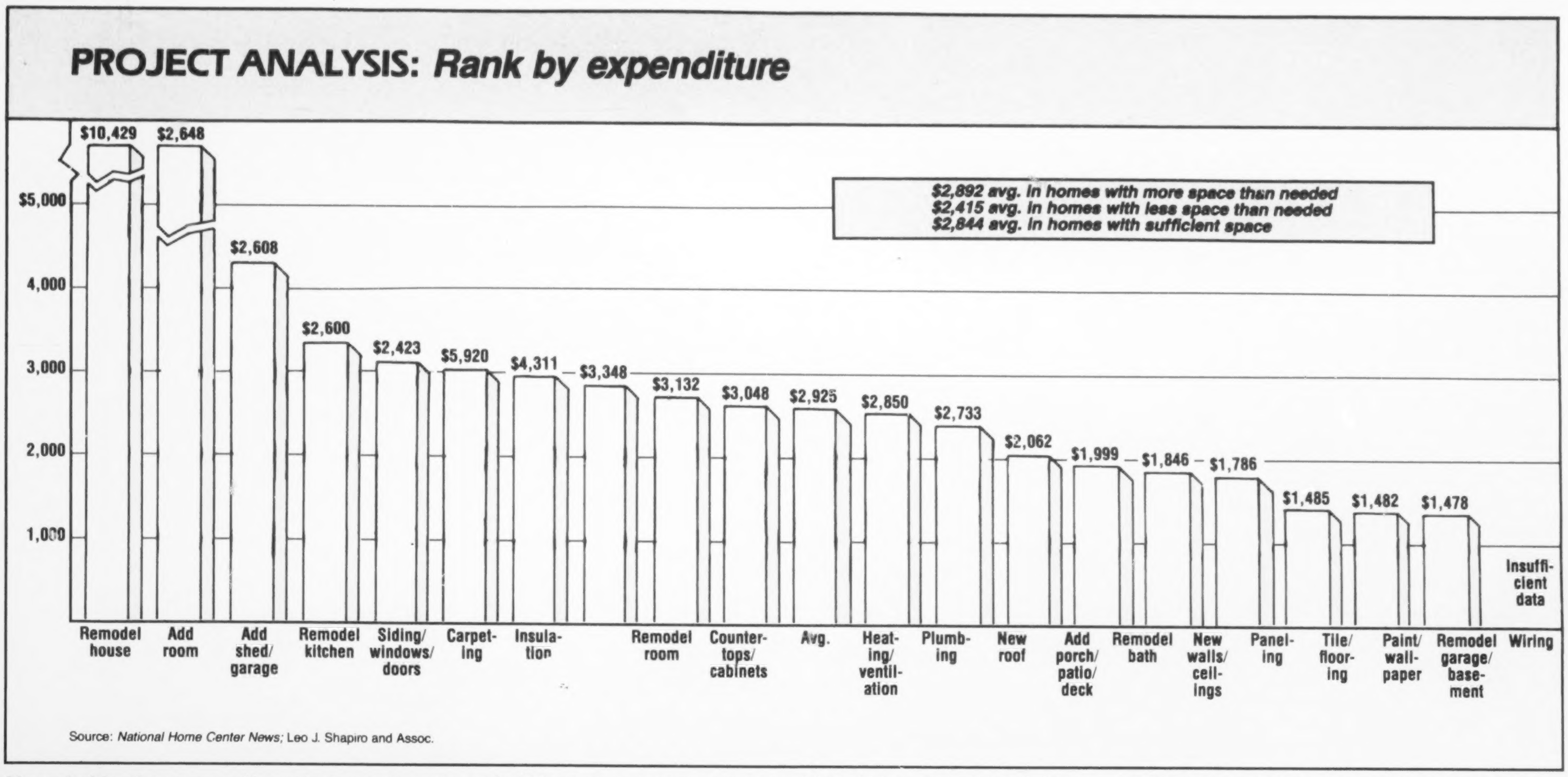
CONSUMER PROFILE:

More or less space than needed (breakdown)?



Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Households with more than enough space tend to be those that actually accomplished projects, often with profesional help. Those with less space are more likely to be planning a project to do themselves. The difference in household profile may be that those with more space are older and more affluent, while the reverse is true of the group with less space.


PROJECT ANALYSIS: *Rank by expenditure*

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Households who engaged in projects costing at least $100 last year spent an average of $10,429 to remodel their homes, $2,850 to remodel a room and $1,482 to paint or wallpaper a room.

25% of active home improvers spent between $2,000-$5,000

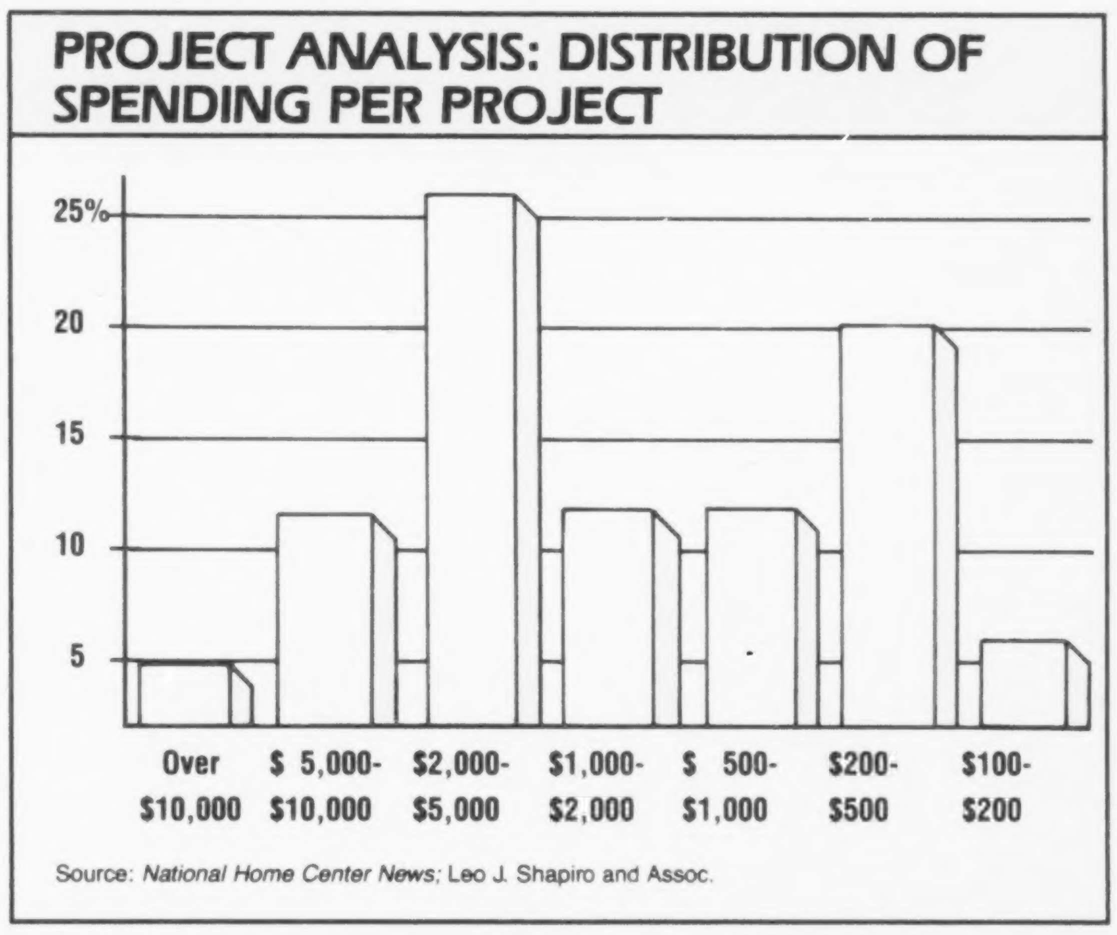
Of those households involved in home improvement projects of over $100, the home improvement qualified or H.I.Q. group, over 25% last year spent between $2,000 and $5,000 on such projects, according to a new *National Home Center News* consumer attitude survey.

About 20% spent between $200 and $500, making it the second most popular expenditure category among members of the H.I.Q. group.

About 5% spent $10,000 or more on a project. Over half the projects were under $2,000.

The average household that completed a project last year in the H.I.Q. group spent $2,648. Households with "more space" than needed spent $477 more per project than households having "less space than needed." Households where space was "just right" spent well above the average household, indicating that the project they completed had given them the space they wanted or that home improvements can still be sizable even when space considerations are not a problem.

While remodeling a house or remodeling a room represented the largest expenditures among members of the H.I.Q. group, over $3,000 on average was spent to add a shed or garage, remodel a kitchen, apply siding or install windows or carpeting.


PROJECT ANALYSIS: DISTRIBUTION OF SPENDING PER PROJECT

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Over 25% of households involved in $100-plus improvement projects spent between $2,000-$5,000 on such projects last year.

Kitchen remodeling: Top big ticket item

Kitchen remodeling ranked as the most popular project completed last year by households tackling a home improvement project of $100 or more. An estimated 2.4 million of all households nationally completed a kitchen renovation last year.

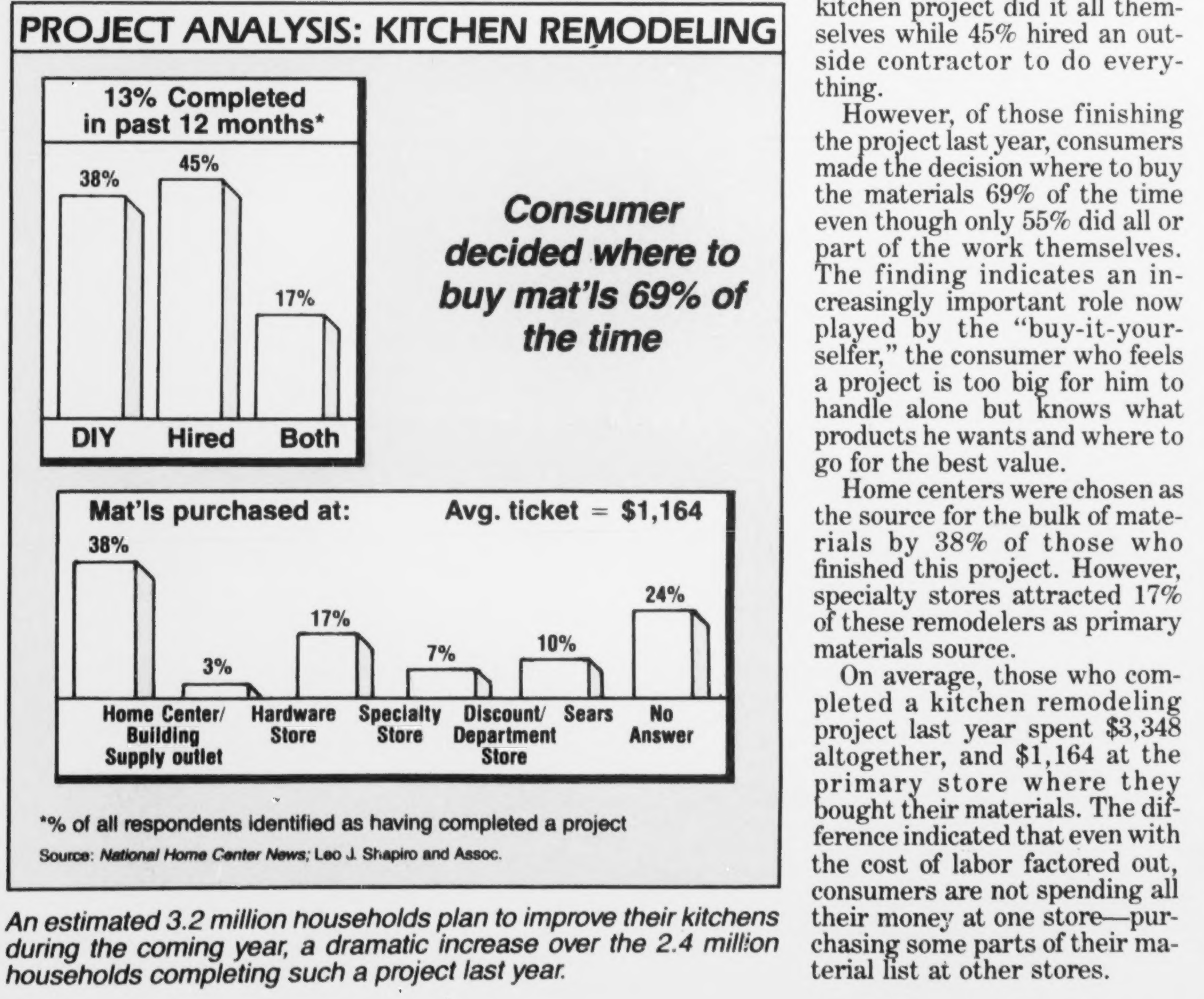
Moreover, interest in this category is clearly on the increase with 3.2 million households planning to improve their kitchens in the coming year, according to a nationwide survey conducted for *National Home Center News* by Leo J. Shapiro and Associates, Chicago.

Consumers initially perceive of a kitchen project as largely do-it-yourself. About 58% of those who plan to undertake the project this year say they will do it all on their own while only 22% say they will hire an outside contractor to do everything. In contrast, last year only 38% of those finishing a kitchen project did it all themselves while 45% hired an outside contractor to do everything.

However, of those finishing the project last year, consumers made the decision where to buy the materials 69% of the time even though only 55% did all or part of the work themselves. The finding indicates an increasingly important role now played by the "buy-it-yourselfer," the consumer who feels a project is too big for him to handle alone but knows what products he wants and where to go for the best value.

Home centers were chosen as the source for the bulk of materials by 38% of those who finished this project. However, specialty stores attracted 17% of these remodelers as primary materials source.

On average, those who completed a kitchen remodeling project last year spent $3,348 altogether, and $1,164 at the primary store where they bought their materials. The difference indicated that even with the cost of labor factored out, consumers are not spending all their money at one store—purchasing some parts of their material list at other stores.


PROJECT ANALYSIS: KITCHEN REMODELING

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

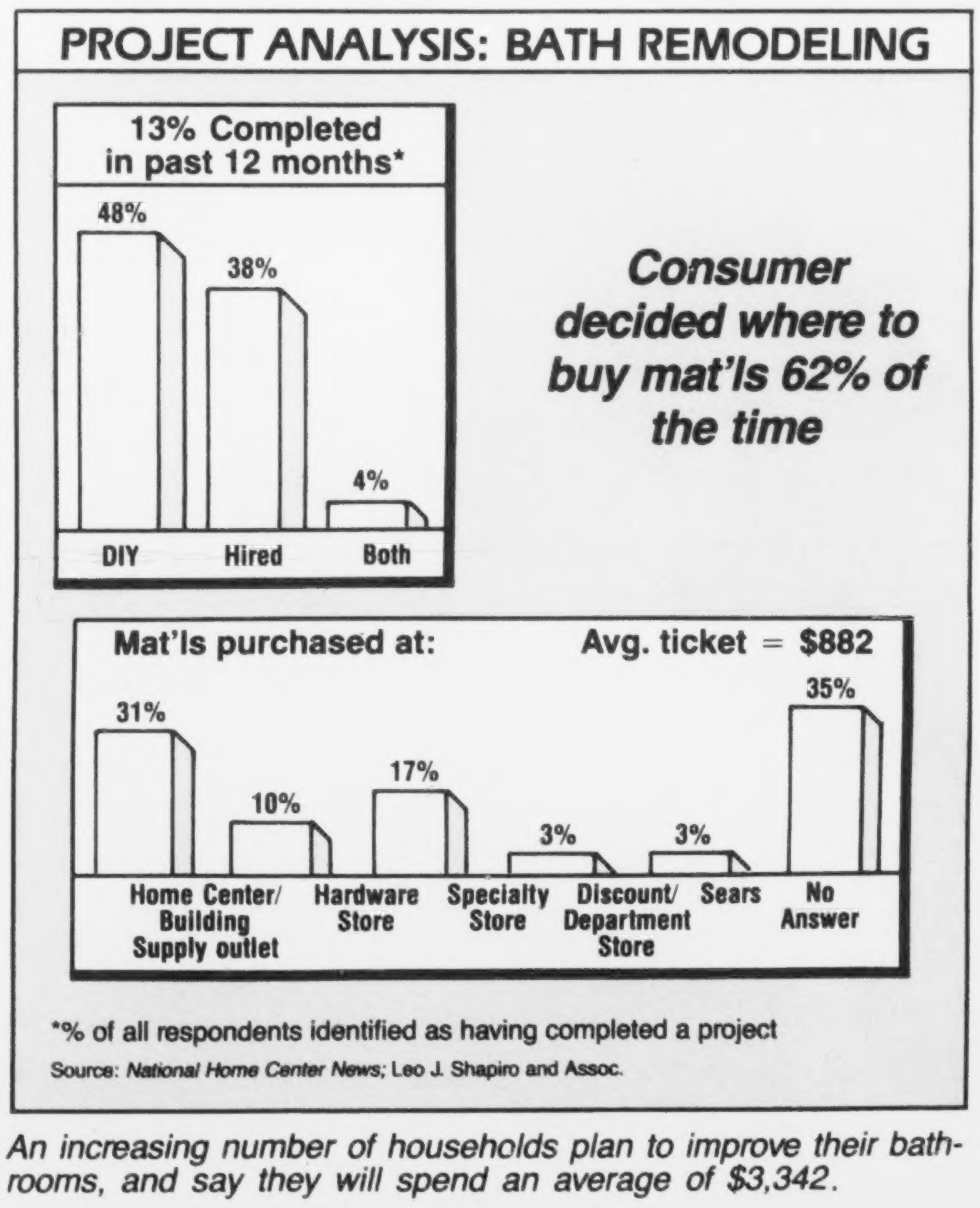
An estimated 3.2 million households plan to improve their kitchens during the coming year, a dramatic increase over the 2.4 million households completing such a project last year.

Bath remodeling on the rise

An estimated four million households plan to remodel their bathrooms over the coming year—a dramatic increase over the less than 1.7 million that did so during the last 12 months.

Among households planning a major project this year who

(Continued on page 24)

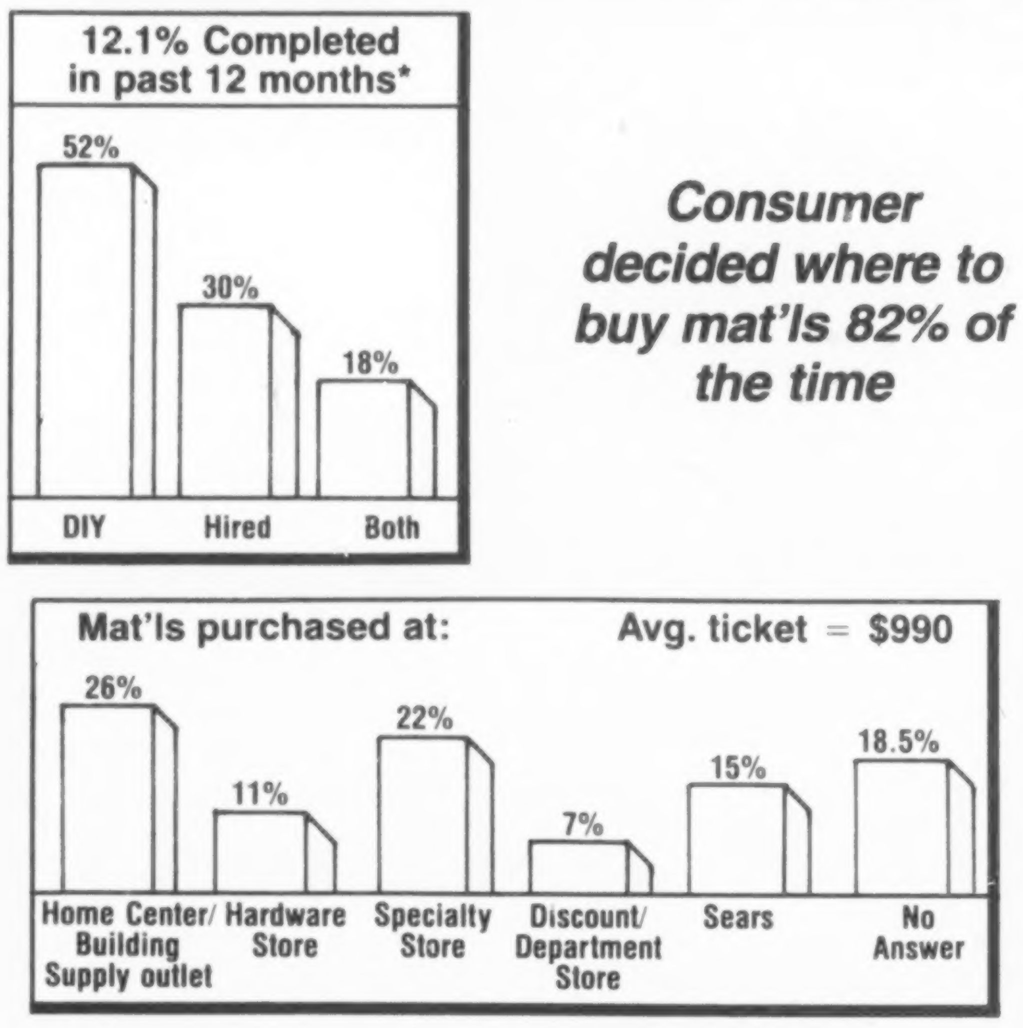

PROJECT ANALYSIS: BATH REMODELING

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

An increasing number of households plan to improve their bathrooms, and say they will spend an average of $3,342.

PROJECT ANALYSIS: WALLPAPER/PAINT



Consumer decided where to buy mat'ls 82% of the time

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Over 2.7 million households applied wallpaper or paint last year. Homeowners, not professionals, chose where to buy materials 82% of the time and often selected home centers, although specialty stores offered strong competition.

Wallpaper/paint: Most popular project

Wallpapering and painting, together, was the No. 1 home improvement project in the United States last year and the third most frequently tackled home improvement project among households spending $100 or more per project. Over 2.7 million households nationally completed the project last year; another 3.4 million plan to do so during 1983, according to a *National Home Center News* survey.

Among households spending $100 or more on the project last year 52% did all the work on their own. A little under a third of these households hired someone else to do all the work. One out of five did some of the work and had a contractor do the rest.

Among households planning a major project this year, 62% plan to do all the paint/wallpaper work themselves while fewer than 1 out of 5 expect to hire a contractor to do it all for them.

Home centers face a challenge in not only maintaining, but also increasing their market share of these categories. Although consumers decided where to buy paint and wallpaper 82% of the time, they selected home centers as primary source only about a fourth of the time. And the percentage would most likely be even lower if paint were considered alone, where specialty stores and Sears tend to dominate.

The importance of turning attention to these categories is reinforced by the fact that the average ticket price for materials purchased at the primary retailer for such projects is a little under a thousand dollars, including all materials purchased during a paint/wallpaper project.

Average project cost for completed jobs was $1,500. Those who plan such projects thought they would spend $2,000 on the average.

Home centers win patio/deck derby

Home centers were clearly the winners in the porch-patio-deck sweepstakes as over two-thirds of such projects were built with materials purchased there as the primary source of supply. A full 4 out of 5 households undertaking such projects decided on their own where to buy the bulk of their materials, and spent an average ticket of $1,229 at their chosen retailer, even though a little less than half did all the work on their own, a *National Home Center News* survey found.

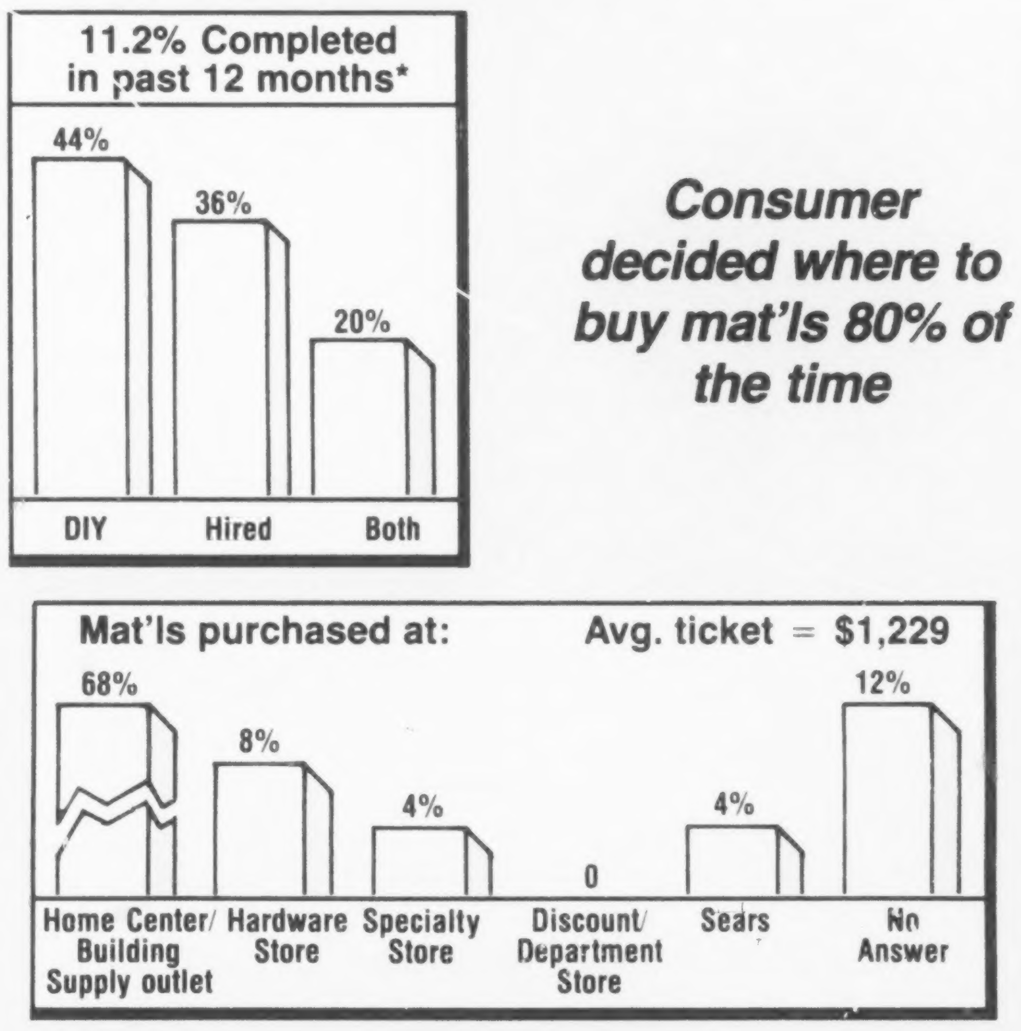
Over 1.8 million of all households nationally completed one of these projects last year.

Of those consumers who completed a job in these categories, 44% did the work themselves while 36% hired professionals to do the job. Another 20% had hired help to do part of the work.

Among those planning a project in the coming year, 47% plan to do all the work themselves, and only 18% plan to hire an outsider to do all the work. About a third of the consumers studied plan to hire a contractor to do part of the work.

The average ticket price for improvements in the categories of porches, patios and decks was $2,000 last year. Those who plan to undertake these projects in the coming year expect to spend about the same amount of money.

PROJECT ANALYSIS: ADDED PORCH/PATIO/DECK



Consumer decided where to buy mat'ls 80% of the time

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

While only 44% of consumers who last year spent more than $1.00 on porch, deck or patio improvements did all the work on their own, 80% decided where to get the materials.

Many remodeled rooms themselves

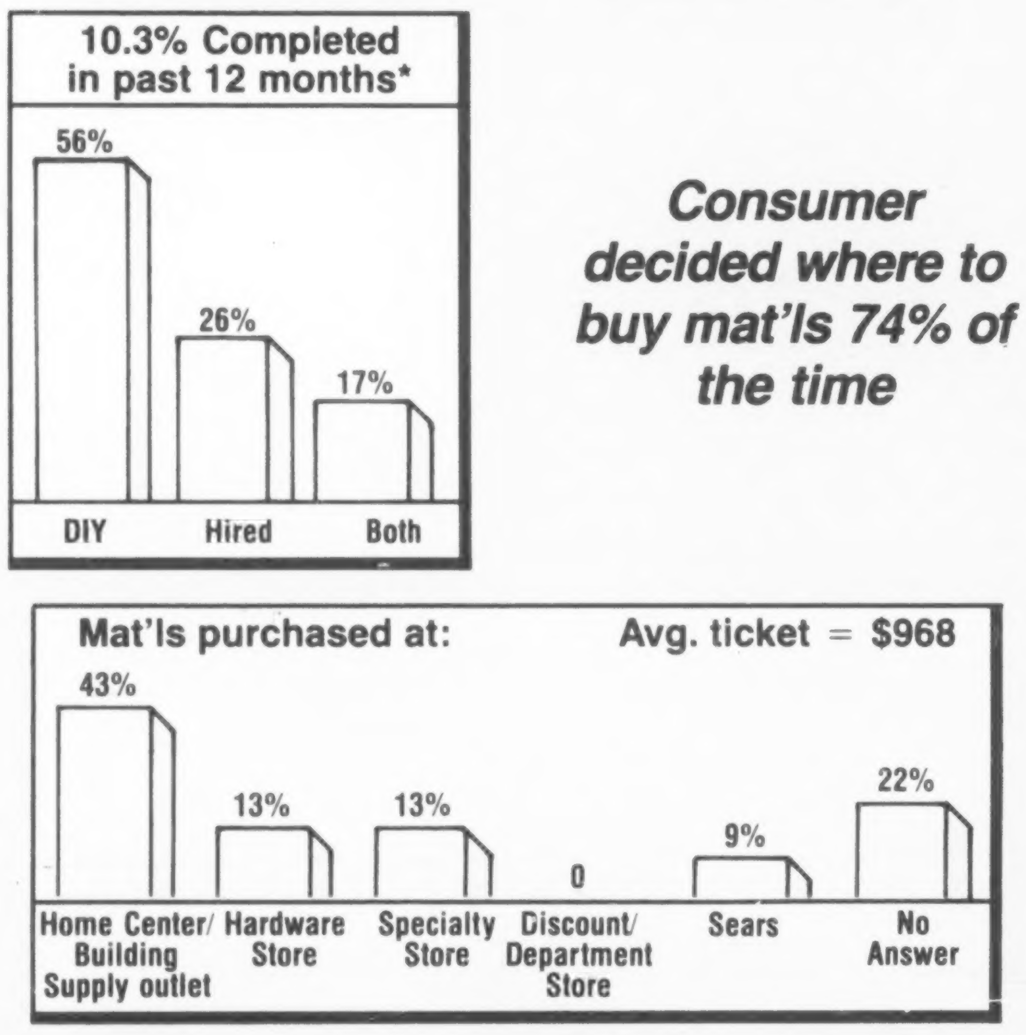
The potential for satisfying a need for creativity and a pride of achievement encouraged 56% of those tackling a major room remodeling project last year to do all the work themselves. Moreover, 78% of those planning to remodel a room say they will do it on their own in 1983.

Of those involved in a room remodeling project costing $100 or more, only 1 out of 4 households hired a contractor to do all the work for them last year, according to a *National Home Center News* study. Only 1 of 10 planning to remodel a room this year, however, say they will get an outsider to do all the work.

Nearly one million of all households nationally undertook remodeling a room last year and an equal number will do so this year.

The consumer decides where to buy his materials 74% of the time. Home centers are clearly the retailer of choice, reflecting their comprehensive selection of goods across many categories. They were selected as primary source for materials 43% of the time among households completing the project last year with hardware stores and specialty shops coming in a distant second at 13% each.

PROJECT ANALYSIS: REMODEL ROOM



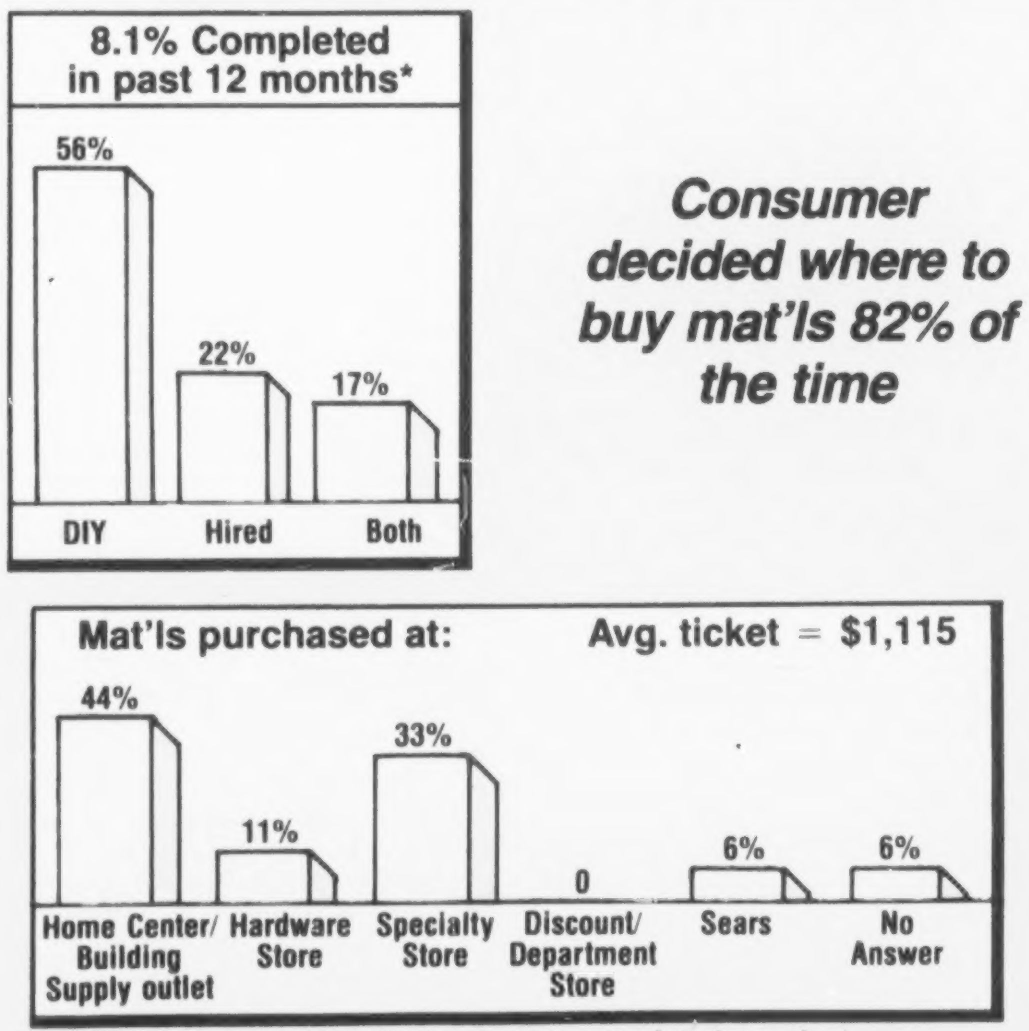
Consumer decided where to buy mat'ls 74% of the time

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

When remodeling rooms, Americans do it themselves more than half the time. A plurality, or 43%, of those who completed room remodeling projects bought their materials at home centers.

PROJECT ANALYSIS: TILE/FLOORING



Consumer decided where to buy mat'ls 82% of the time

*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Specialty stores: Strong flooring source

As is the case with wallpaper and paint, consumers look upon specialty stores as strong tile and flooring sources.

Last year, 33% of those completing major tile and flooring projects of $100 or more bought their merchandise primarily from specialty retailers, a study by *National Home Center News* found.

While hardware stores, Sears and other outlets attracted minimal business, home centers accounted for 44% of selections. Consumers decided where to go for materials 82% of the time, although they did the work completely by themselves only 56% of the time.

About 1 out of 5 households among those involved in a project of $100 or more (the home improvement qualified, or H.I.Q. group) either completed flooring projects last year or plan to do so this year. That was about a third fewer than the number undertaking wallpaper and paint projects.

Among those who completed the project last year, 56% did the job on their own. This compares with 22% who hired an outside contractor to do all the work. Of those planning the projects, 35% plan to hire a contractor to do the work while half plan to do all the work themselves.

The average job cost last year was $1,485.

While the average ticket price for tile and flooring purchases is $1,115, home centers face stiff competition from specialty stores as sources of materials.

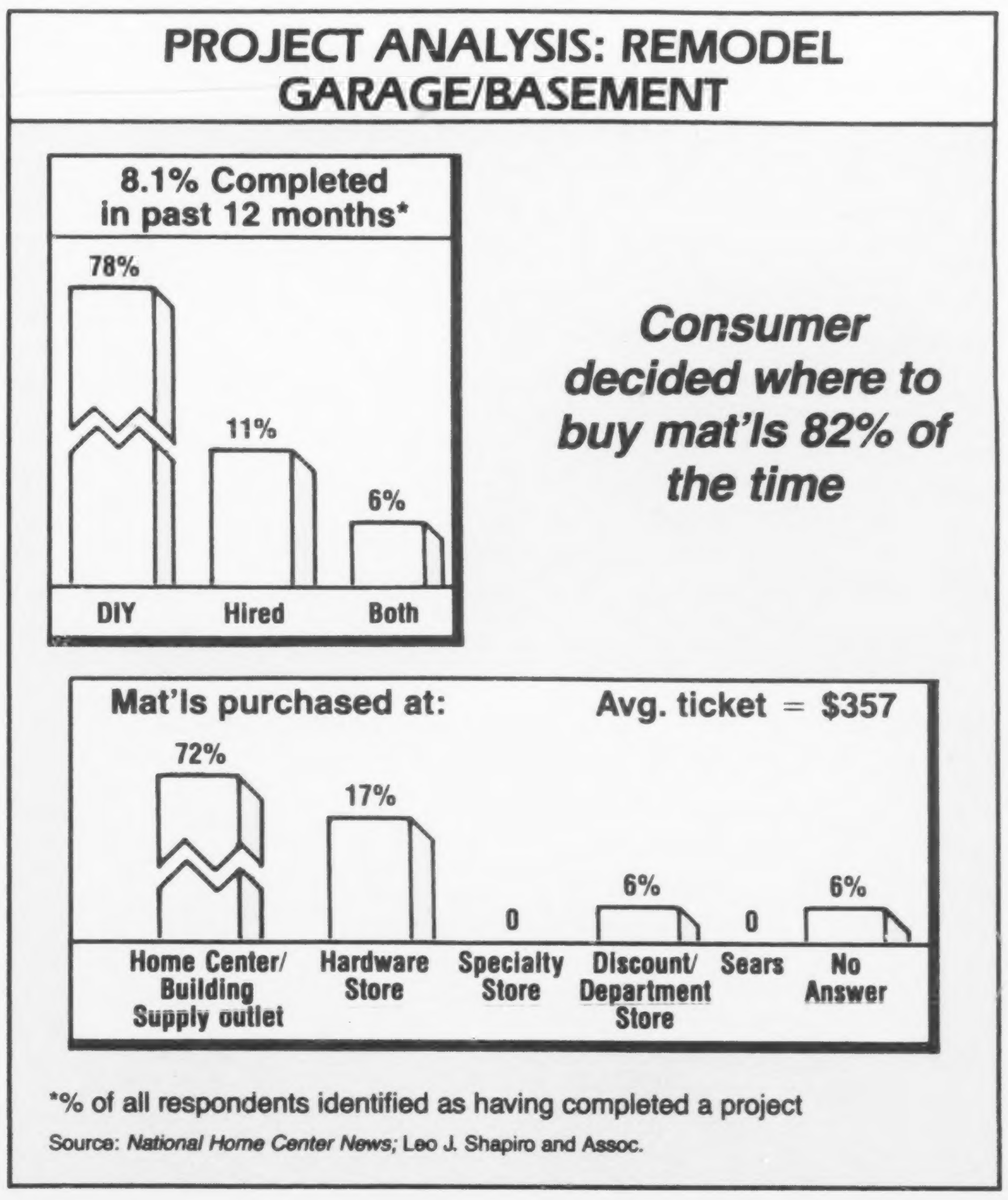
Bath remodeling on the rise

(Continued from page 22)

specified plans to remodel a bathroom, 60% plan to do all of the bath remodeling themselves, while a little less than half of those who completed such a project last year actually did everything themselves. Professional help was hired to do all the work for 38% of bathroom remodeling projects last year, and to do part of the work in another 14% of the jobs, a *National Home Center News* survey showed.

Those planning bathroom remodeling are more ambitious concerning what they will spend than those who did so last year. The former group plans to spend an average of over $3,300 while those who completed the projects spent an average of $2,000.

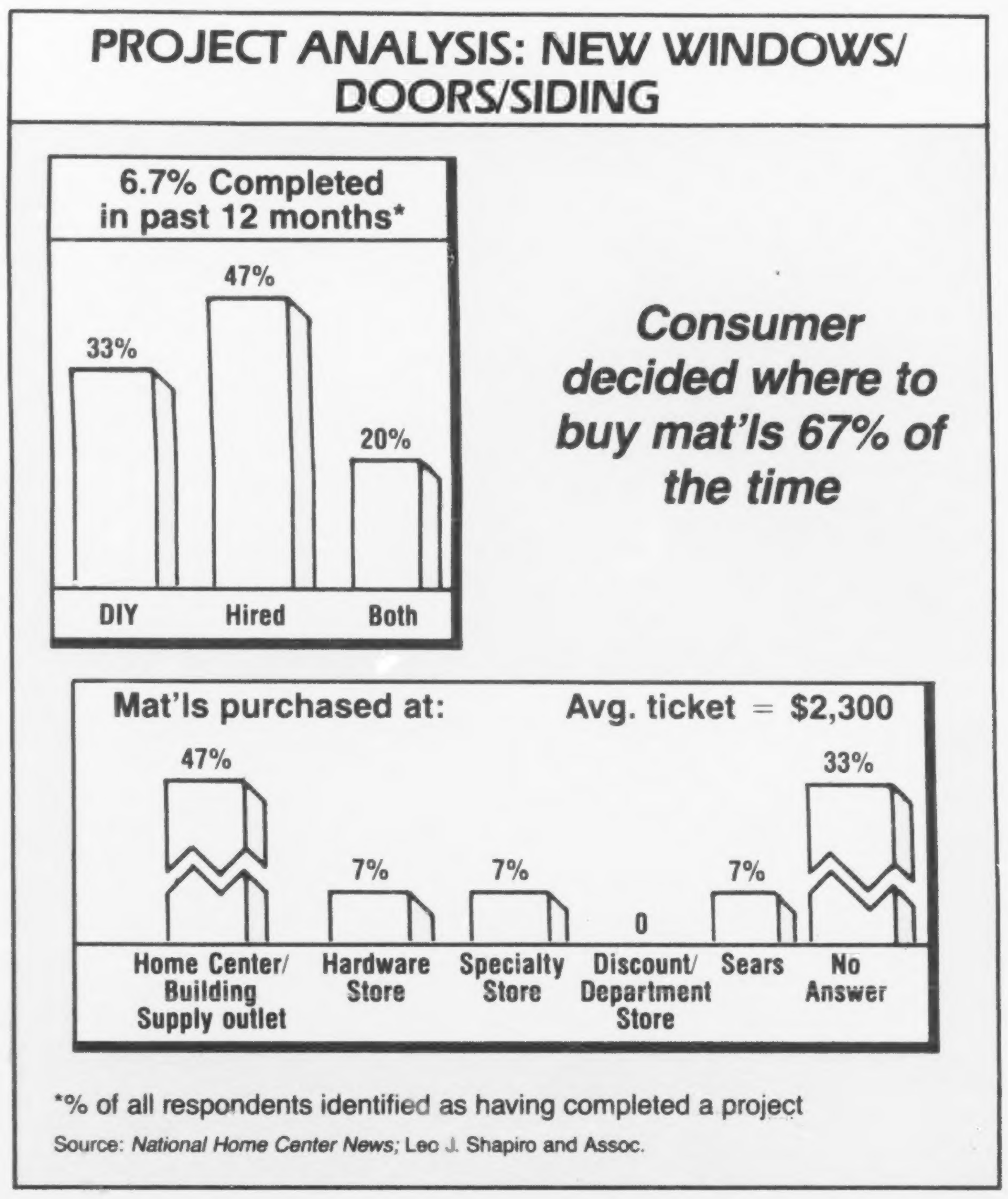
Home centers and building supply outlets were cited as the primary source for materials 31% of the time followed by specialty stores, 17%, and hardware stores, 10%.



*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Consumers perceive remodeling garages and basements as a do-it-yourself project. The overwhelming majority of those who completed projects of over $100 chose home centers as their source.



*% of all respondents identified as having completed a project

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

While only 33% of the consumers spending over $100 on window, door or siding projects last year did the work themselves, 67% decided where to buy the materials.

Basement and garage projects seen as DIY . . .

Homeowners perceive garage and basement remodeling projects as jobs to be done without the help of outside contractors.

Last year nearly 4 out of 5 completed such projects entirely on their own, while 3 out of 5 who plan to undertake such projects this year say they will not hire outside help.

And of those 2 out of 5 who will use outside help, most say they will accomplish some of the work themselves anyhow, according to a study by *National Home Center News.*

Over 8% of households involved in a project costing $100 or more (the home improvement qualified, or H.I.Q. group) completed a basement-garage project last year, while another 7% plan to do so this year. On a national basis, for all households it is estimated 752,000 homes completed the project last year and 919,000 more will undertake it this year, although the projects nationally may not be as extensive as those registered by H.I.Q. households.

About 82% of the H.I.Q. group undertaking projects in these categories decided where to go for the majority of their materials, which means that even in some instances where contractors were involved, homeowners made the buying decisions. Once again, the primary source turned out to be home centers, where 72% of the consumers went for their first source of materials, spending an average of $357 each.

On the other hand, these same homeowners spent an average of $1,478 for the projects. Given the high incidence of do-it-yourself projects, this indicates that the consumers also visited other stores to pick up materials for the renovations.

. . . but shoppers hire contractors for doors/siding

Once faced with the technical expertise often necessary to install windows, doors and siding, consumers generally turn to outside contractors to do the job, according to a new survey by *National Home Center News.*

Last year, 47% of those undertaking such projects (costing $100 or more) had outsiders do the work completely, while another 20% hired contractors to do at least some of the work. Significantly, however, in two-thirds of the projects, the consumer—not the contractor—decided where to go for materials.

Despite the relatively low proportion of households actually completing such projects, the jobs are still perceived initially as do-it-yourself projects. Of those planning to undertake the work this year, half say they will do it themselves while only 33% say they will have a contractor do all the work.

The average project price last year was a little over $3,000 while those who plan to get involved this year say they'll spend close to twice that amount.

Home centers clearly remained in the lead in the race for the consumer buck in these categories.

Householders spent an average of $2,300 at the primary source for materials which, in 47% of the cases, was a home center.

You Can't Do The Project Right . . .
If You Don't Have Zynolyte !

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NHCN's 1983 Consumer Attitude Survey

Shoppers prefer home centers as source for building supplies

NATIONAL REPORT—A clear majority of consumers prefer to buy their building supplies at home centers rather than at any other type retailer, according to the results of a survey conducted for *National Home Center News* by Leo J. Shapiro and Associates, Chicago.

Over 64% of the general public said they preferred to go to home centers for building supplies. Close to 30% said they preferred to buy hardware items at home centers. Other categories with strong showings at such stores were electrical supplies at 25%, plumbing supplies at 24% and security hardware at 22%.

Of those households that either completed last year or plan to undertake this year a home improvement project of over $100, (the home improvement qualified or H.I.Q. group), close to 76% said home centers were their preferred source for building materials. Among DIYers the level of preference rose to 80%. Over 37% picked home centers as their No. 1 source for hardware and 30% said they would prefer to buy electrical supplies at home centers.

Home centers were somewhat less popular as preferred stores for buying power tools, paint, floor coverings, and heating and air-conditioning equipment. Less than 20% of the general public interviewed said they preferred to buy this merchandise at home centers.

When asked where they preferred to purchase hardware, consumers picked hardware stores 38% of the time, a clear plurality. Such stores were also about as popular as home centers for consumers seeking electrical supplies, plumbing products and hand tools. Over 20% of the consumers surveyed picked hardware stores as their preferred source for such merchandise.

Although hardware stores made a strong showing in security products, they were not quite as popular a source for these as were home centers, where 22% of the public said it preferred to buy these products. And hardware stores were weak in the categories of power tools, paint, building supplies, heating and air-conditioning equipment and floor coverings.

An overwhelming plurality of consumers surveyed, 36%, said they would go to Sears for power tools. Hand tools were also more popular at Sears than any other category of retailer, although home centers and hardware stores were not far behind.

Although Sears also made a strong showing as one of the favorite stores for house paint, it was selected much less often as the preferred sources for other categories of products.

K mart, as well as other discount stores, were mentioned less than 10% of the time by consumers when asked where they would buy merchandise in any of the 10 categories in the survey.

Specialty stores, on the other hand, were mentioned by consumers much more often than any other type retailer as the preferred source for floor coverings. They also were the preferred source for paint and heating and air-conditioning equipment.

Specialty stores were not favored to any extent as preferred sources for merchandise in the other categories covered by the survey.

Building supplies —

When asked where they would prefer to buy building materials such as lumber, paneling and insulation, over 64% of people nationally said that home centers were their retailers of choice.

Moreover, close to 76% of those undertaking a home improvement project of over $100 (the H.I.Q. group) responded to the survey by saying they would prefer to buy building materials at home centers.

That home centers have become closely identified in the public mind with building supplies is reinforced by the fact that no other category of store came within shouting distance.

For example, less than 7% of both the general public and the H.I.Q. group said they would prefer to shop at hardware stores for such merchandise. Neither specialty stores nor Sears was chosen by more than 3% of the people responding.

Home centers, it seems, have established an even higher profile as building materials sources among those people who get involved in DIY projects. About 80% of the DIYers in the H.I.Q. group stated home centers were their preferred source of building supplies compared with 69% of those H.I.Q. householders who hired outside help to undertake home improvement projects.

Indeed, other type outlets for building supplies were favored more by those who hired or will hire contractors to do projects than by DIYers. Close to 8% of the former group preferred to buy building supplies at hardware stores, for example, compared with only 5% of the DIYers.

Responding to questions in the survey, the general public cited "selection of brands carried" as the most important reason for selecting their preferred retailer, while "lower prices" was the second.

(Continued on page 30)

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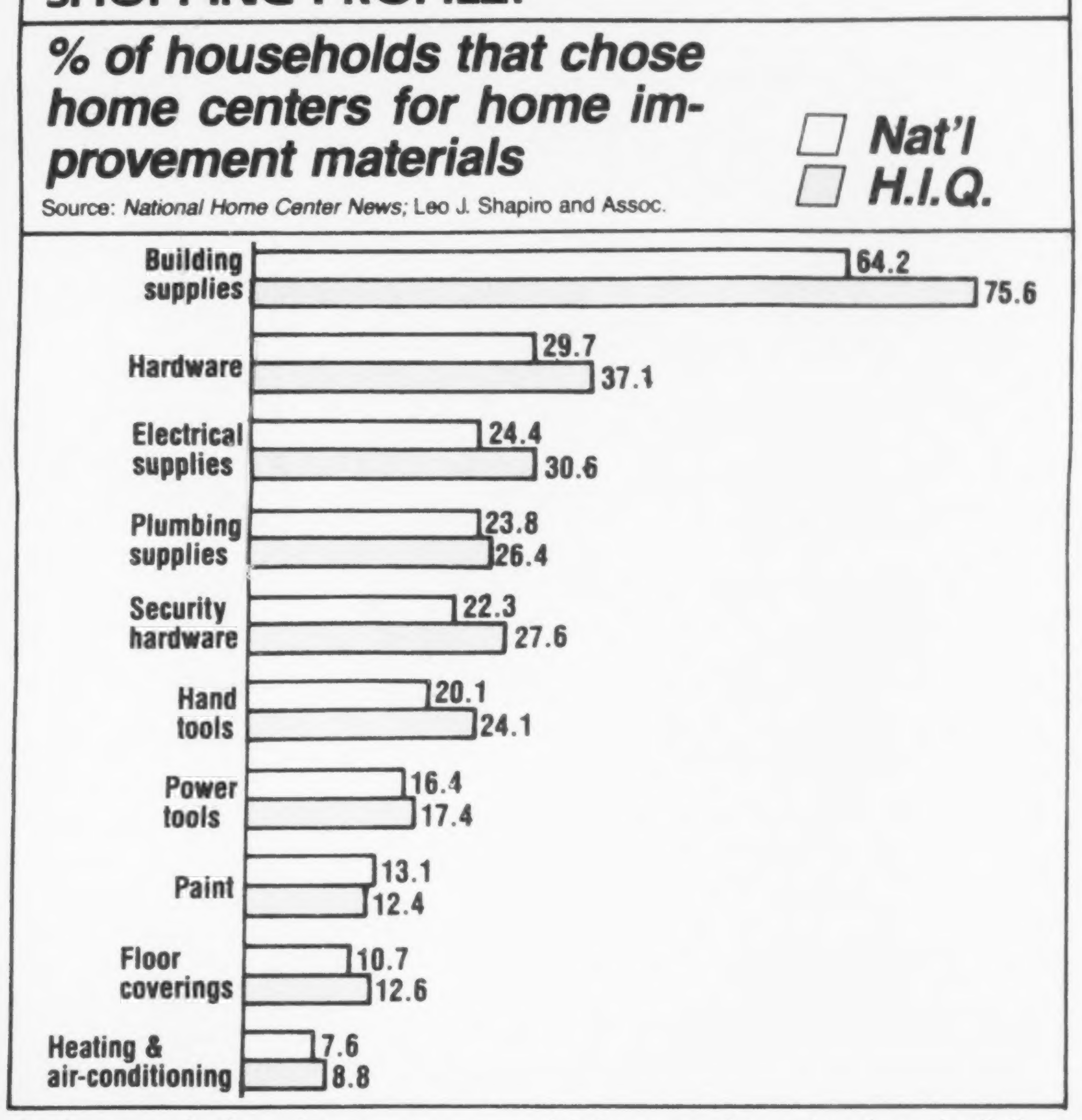
SHOPPING PROFILE:

% of households that chose home centers for home improvement materials

Source: *National Home Center News;* Leo J. Shapiro and Assoc.



A clear majority of consumers said they preferred to buy building materials at home centers.

NHCN's 1983 Consumer Attitude Survey

Consumers think home centers when they need building supplies

(Continued from page 29)

For members of the H.I.Q. group, the priorities were reversed. "Lower prices" was the most important reason, followed by "selection of brands."

In descending order of importance, other reasons cited for selecting preferred stores were: close or convenient location, quality of goods, and a habit of shopping at the store.

Very few respondents cited reputation, good service, the establishment of an account, warranties, or Sunday hours as compelling reasons for choosing a retailer for building supplies.

Those members of the H.I.Q. group who were DIYers cited "lower prices" as the primary reason for selecting a retailer, with "brand selection" close behind.

For those H.I.Q. households who hired out their projects to contractors, the priorities were once again reversed, with brand selection holding an edge over price. Moreover, these households perceived "close location" as more important than did the DIYers.

Hardware —

Of the general public responding to the survey, over 38%, a plurality, said they preferred to buy hardware items such as screws, nails and hinges at hardware stores.

Home centers, preferred by 30% of the public nationwide, represented the second most popular retail category for hardware items.

No other store category in the survey was chosen as preferred hardware retailer by more than 8% of the responding public. And that figure was achieved only by Sears.

Members of the H.I.Q. group said they preferred hardware stores as their hardware source to an even greater extent, selecting that retail category 42% of the time. They selected home centers 37% of the time, a figure much higher than that of the general public.

The H.I.Q. group also preferred other type stores for hardware less often than did the general public. That discount stores were the sole exception may reflect a price interest on the part of those involved in home improvement projects.

Within the H.I.Q. group, home centers as preferred hardware sources were chosen more often by DIYers than by those who hire outside help. The reverse held for hardware stores.

According to the results of the survey, the general public said "convenient location" was the most important reason for selecting their preferred retailer, and that "brand selection" was nearly as important.

For members of the H.I.Q. group, the priorities of those two criteria were reversed, as brand selection topped the list.

Both the general public and the H.I.Q. groups cited "lower prices" as the third most important reason. As a criterion for the selection of a store, price has considerably less impact in the category of hardware than it does in the category of building materials, the survey showed.

Within the H.I.Q. group, the availability of lower priced hardware held more clout for the DIYers than for those who hired outside contractors. The latter group found convenient location more important than did the DIYers.

Electrical supplies —

When asked where they preferred to buy electrical supplies, the general public cited hardware stores 28% of the time. They cited home centers 25% of the time, making such stores the second most popular selection.

A plurality of the H.I.Q. group, or 32%, selected hardware stores as their preferred source of electrical supplies. Again, home centers were not far behind as 31% of the respondents preferred them.

No significant differences emerged between preferences of DIYers and those who hire outside help.

However, 36% of those who accomplished a home improvement project of over $100 last year preferred to buy electrical supplies at hardware stores, while only 26% of them preferred home centers. Of those who are planning a project in the coming year, 33% prefer to buy electrical supplies at home centers while only 30% said they would prefer to buy them at hardware stores.

The general public cited brand selection as the most important reason for deciding where to buy electrical supplies, while convenient location was the third most important reason.

While members of the H.I.Q. group agreed that brand selection was the most compelling reason for selecting an outlet for electrical supplies, for them lower prices was the second

(Continued on page 38)

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NHCN's 1983 Consumer Attitude Survey

Where do consumers shop?

(Continued from page 30)

most important reason while convenient location placed third.

Within the H.I.Q. group, DIYers cited lower prices more often than did those who hire contractors, while the latter group said convenient location was important more often than did DIYers.

Plumbing supplies —

In response to the survey, 24% of the general public said they would prefer to buy plumbing supplies at home centers while 23% preferred hardware stores. Third in popularity were specialty stores, where 17% of the general public said they would prefer to shop for such merchandise.

Responses from members of the H.I.Q. group were not appreciably different. About 27% of them said they would prefer to buy plumbing supplies at home centers, while 25% picked hardware stores and 19% selected specialty stores.

Within the H.I.Q. group, 27% of DIYers said they would prefer to buy plumbing supplies at hardware stores while 25% said home centers. Of those who hired outside contractors, 26% preferred home centers while 19% selected hardware stores.

"Lower prices" was the most compelling reason for selecting a source of plumbing supplies by respondents in the survey, whether they were general public or members of the H.I.Q. group. "Brand selection" and "convenient location" followed closely as second and third most important criteria.

Considerations of quality, familiarity with store, good service and reputation were far less important as reasons for shopping at a store for plumbing supplies.

Within the H.I.Q. group, DIYers once again exhibited a greater interest in price than did the households who hire outside contractors.

Security hardware —

Of the general public responding to the survey, over 22%, a plurality, said they preferred to buy security hardware like locks, alarm systems and smoke detectors at home centers.

After hardware stores, which ran close behind at 20%, other store categories in the survey proved less popular as sources of security hardware. Sears, the preferred choice of 13% of the respondents nationally, made the best showing among them.

Members of the H.I.Q. group said they were even more "secure" at home centers than the public in general. Close to 28% of households involved in large projects preferred such stores as security hardware sources, while 21% preferred hardware stores. While close to 14% preferred Sears, other stores in the survey fared badly.

Home centers proved somewhat more popular with DIYers in the H.I.Q. group than with those who hire contractors as did hardware stores.

Households hiring contractors overwhelmingly selected Sears as preferred source more often than did DIYers; 19% of the former chose Sears compared to 10% of the latter.

Reasons for selecting the preferred retailer for security hardware followed a pattern not unlike that of other categories of merchandise. The public nationally said that brand selection was the most important criterion, with lower price in second place.

However, members of the H.I.Q. group said lower price was easily the most important reason, followed by brand selection.

Both groups chose convenient location as third in importance, while quality was a distant fourth.

Again, DIYers found price far more important than did those who hire contractors, while the latter group found convenient location far more important than did DIYers.

Hand tools

The survey showed that Sears was clearly the front-runner in the race for the hand tool market.

The general public chose Sears as their preferred hand tool source 28% of the time, hardware stores 23% of the time and home centers 20% of the time. No other category of store was selected more than 10% of the time.

Members of the H.I.Q. group chose Sears 29% of the time and hardware stores 25% of the time. Home centers were selected as sources of hand tools 24% of the time by this group.

Within the H.I.Q. group, those who whire help preferred hardware stores more often than DIYers, while the latter group chose Sears more often than those who hire outsiders.

The general public ranked lower prices as the most important reason for selecting a store to buy hand tools. In descending order of importance were brand selection, convenient location and quality.

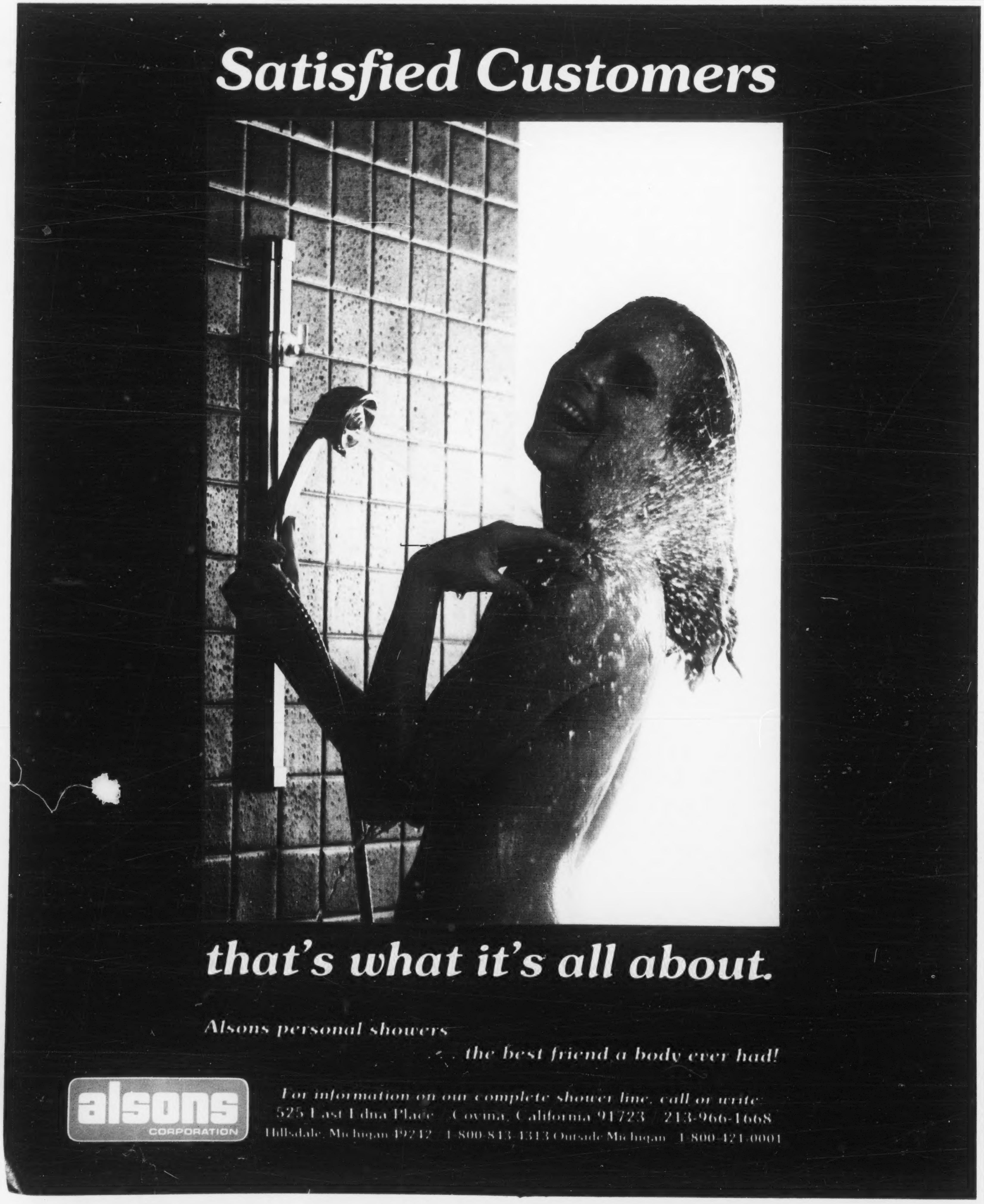
Members of the H.I.Q. group picked criteria that were very similar to those of the general public. However, they emphasized lower prices even more than did the general public.

DIYers also put more emphasis on lower price than did those who hire outside help, while the latter group emphasized brand selection and convenient location more than did the DIYers.

Power tools

Sears enjoys a profile that is even higher for power tools than for hand tools, the survey

(Continued on page 40)



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Where they shop

(Continued from page 38)

showed.

The general public said they preferred to buy electric drills, saws and other power tools at Sears 36% of the time. They preferred home centers 16% of the time and hardware stores 14% of the time. No other store categories received more than 10% of the vote as a preferred power tool source.

The preference for Sears was even more electrifying among the H.I.Q. group, which selected Sears 44% of the time, home centers 17% of the time and hardware stores 14% of the time.

DIYers selected Sears more often than did those who hire outside help to complete projects. The latter group tended to prefer home centers as a source of power tools more than did DIYers.

The general public chose their favored retailer for three main reasons. Closely ranked in importance, they were, in descending order: brand selection, lower price and quality. Members of the H.I.Q. group specified the same three reasons in the same order, and put even more emphasis on each of them than did the general public.

Convenient location, in fourth place with both groups, proved far more important to the public in general than it did to the H.I.Q. group.

Paint

When asked where they would prefer to purchase paint, and paint sundries, the general public cited specialty stores 32% of the time.

About a fourth of the general public responding to the survey selected Sears. Home centers, selected by only 13% of those interviewed, came in a distant third while 10% selected hardware stores.

The lowest-ranking stores on the paint totem pole were "other discount or department stores," picked by less than 9% of the respondees. K mart was cited specifically by less than 3%.

Do-it-yourselfers in the study were more likely to buy their paint at home centers compared with those who rely on outside help. Specialty stores on the other hand, tend to attract those who hire help over DIYers.

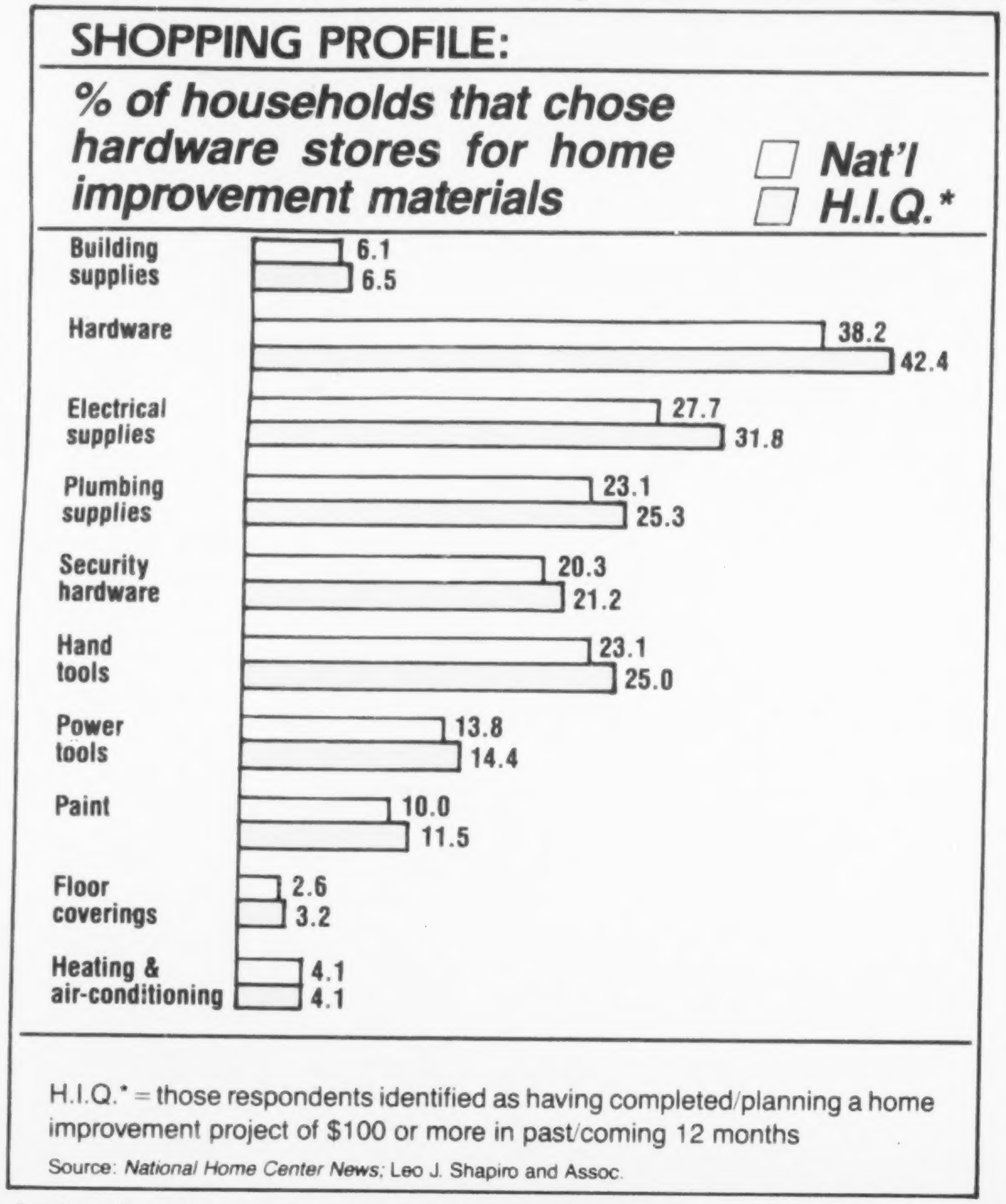
Of households that completed a home improvement project of over $100 last year, only 20% said, in general, they would select Sears as the place to buy paint, while 38% would go to a specialty store, and 10% would go to home centers.

However, of those who plan to undertake a project of over $100 in the coming year, 32% cited Sears as the place they would prefer to buy their paint, 36% would go to specialty stores and 11% would go to home centers. These figures reinforce the idea that Sears and specialty stores clearly outrank home centers in the public's perception as a source for paint.

Responding to questions in the survey, the general public cited "quality" as the most important reason for selecting their preferred source of paint, and "lower prices" as the second most important benefit of their favored retailer.

However, those households which either completed last year, or plan to complete this year, a remodeling project of over $100 (the home improvement qualified, or H.I.Q.

(Continued on page 41)

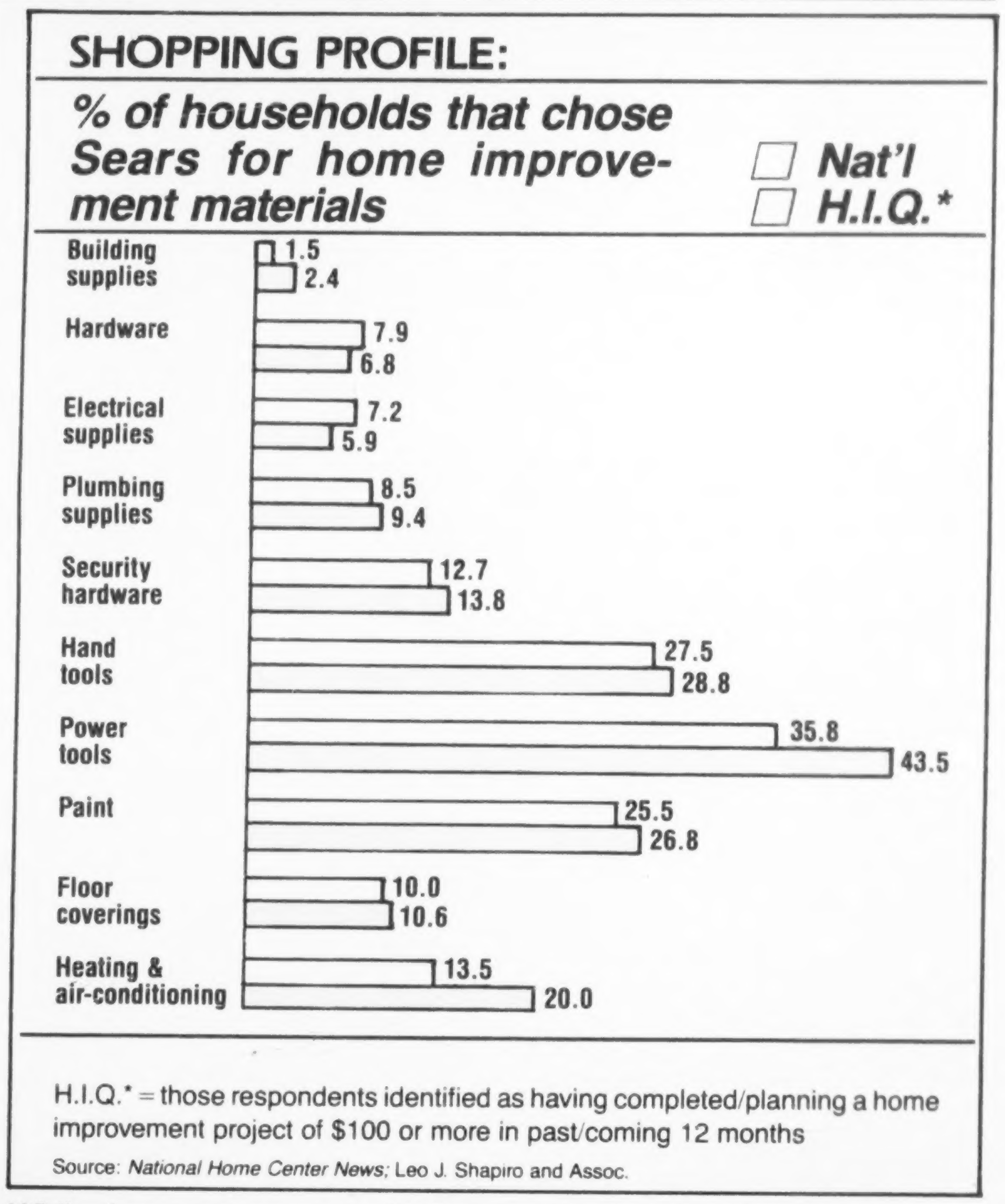

SHOPPING PROFILE:

% of households that chose hardware stores for home improvement materials

H.I.Q.* = those respondents identified as having completed/planning a home improvement project of $100 or more in past/coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

A plurality of consumers said they preferred to buy their hardware items at hardware stores. Electrical supplies, plumbing supplies, security hardware and hand tools are also popular at those stores.


SHOPPING PROFILE:

% of households that chose Sears for home improvement materials

H.I.Q.* = those respondents identified as having completed/planning a home improvement project of $100 or more in past/coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

While few consumers said Sears was their preferred source of hardware and building supplies, the stores were clear favorites for hand and power tools.

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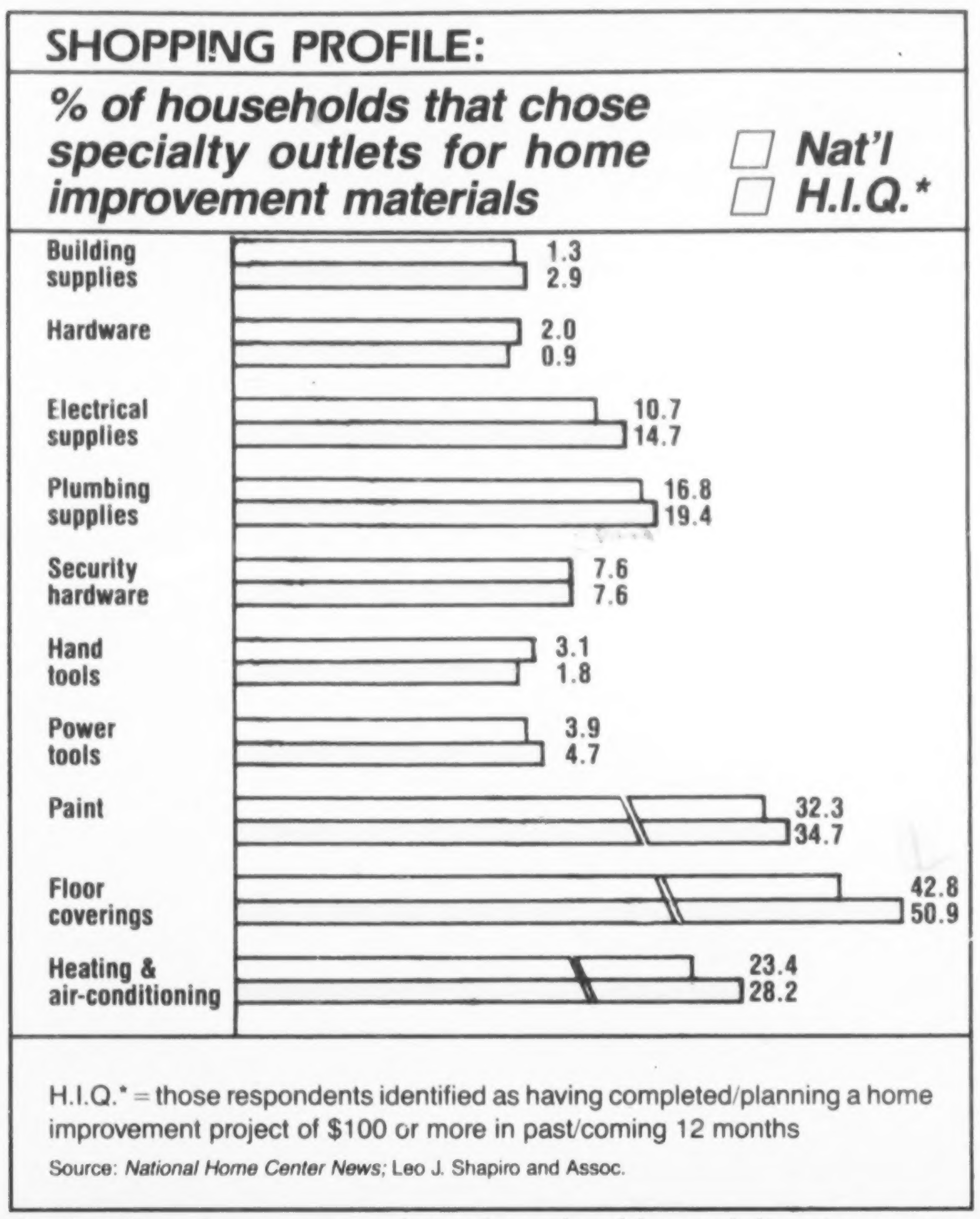
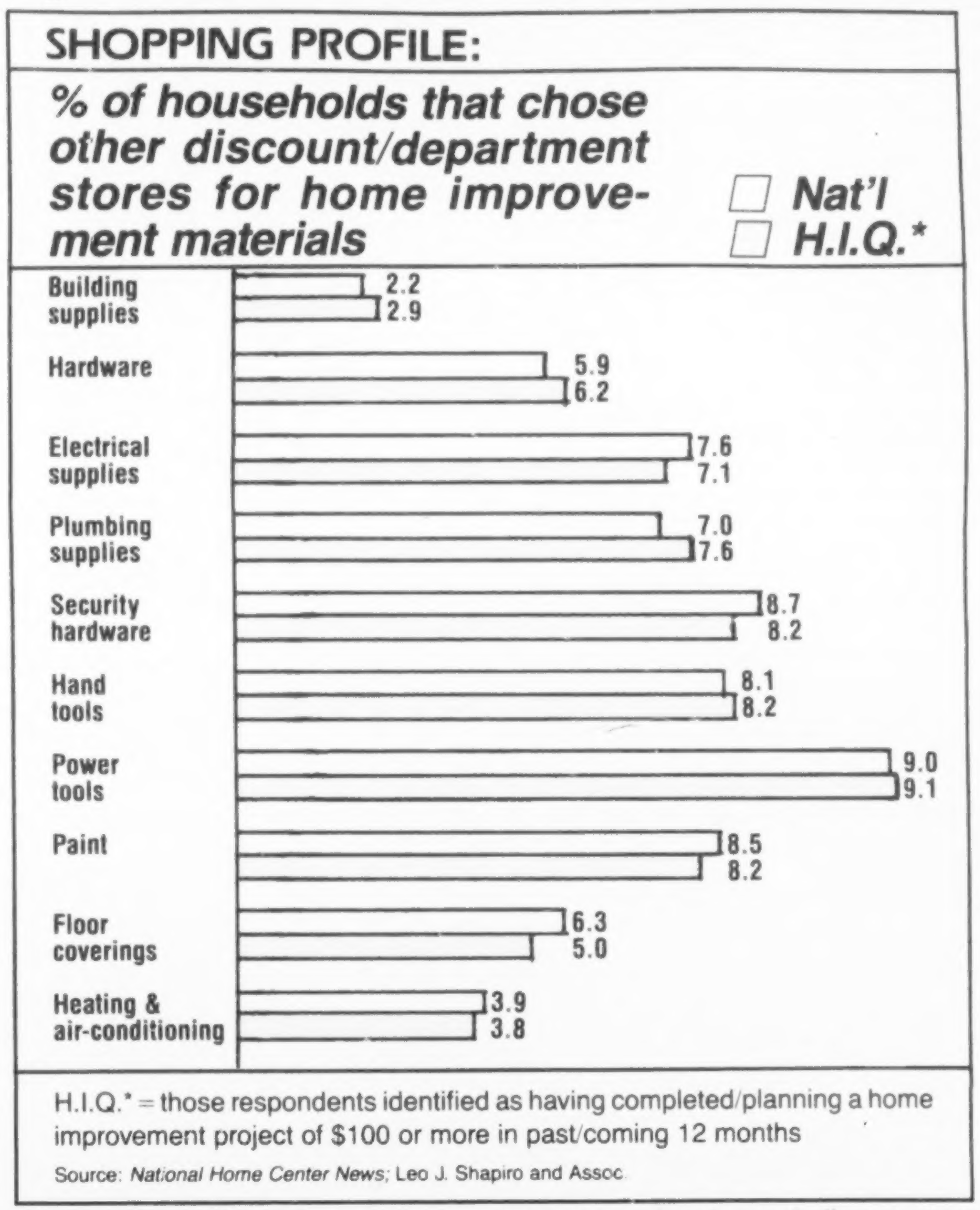
QEST SURE AND EASY PLUMBING



H.I.Q.* = those respondents identified as having completed/planning a home improvement project of $100 or more in past/coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

A plurality of consumers interviewed said specialty stores were their preferred outlets for floor coverings, and heating and air-conditioning products.



H.I.Q.* = those respondents identified as having completed/planning a home improvement project of $100 or more in past/coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Fewer than 10% of consumers interviewed selected discount or department stores (not including Sears or K mart) as their preferred source of merchandise in any one category.

Consumer shopping patterns

(Continued from page 40)

group), cited "lower prices" most often and "quality" second as reasons why they selected favorite retailers as sources for paint.

Both the general public and the H.I.Q. group cited "selection of brands" as the third most important reason for retailer selection. "Close and convenient location," was the fourth reason in importance, and the last option presented by the survey that brought any appreciable response.

Floor coverings ——

Responding to the survey, the general public chose specialty stores as their overwhelming choice as preferred source of floor coverings.

Close to 43% of the public nationally said they preferred to buy floor coverings at specialty stores. Home centers were floored by the survey at 11% while only 10% of the general public said they would prefer to shop at Sears for such merchandise.

Members of the H.I.Q. group selected specialty stores over 50% of the time, home centers 13% of the time and Sears 11% of the time.

Within the H.I.Q. group, DIYers chose home centers as preferred flooring source about twice as often as those who hire contractors. Those who hire contractors chose Sears about twice as often as DIYers.

Both the general public and the H.I.Q. group chose brand selection and lower prices as the closely ranked first and second criteria for choosing a retailer for flooring.

Heating and Air-Conditioning ——

Specialty stores were also the chosen outlets for heating and air-conditioning equipment such as furnaces, central air-conditioners, window air-conditioners and heat pumps, according to the survey.

The general public chose specialty stores 23% of the time, Sears 14% of the time and home centers only 8% of the time. The members of the H.I.Q. group selected store categories in the same order as their preferred heating and air-conditioning product sources, giving an even greater emphasis, 28%, to specialty stores.

Within the H.I.Q. group, those who hire outside help said Sears was their chosen source for such equipment more often than did the DIYers, who preferred specialty stores more often than did those who hired contractors.

Although the reasons for selecting a retailer for heating and air-conditioning equipment were spread over a far broader range of categories than for other types of merchandise, brand selection and lower price still topped the list. The general public chose brand selection first while members of the H.I.Q. group put lower prices on top.

Moreover, those households in the H.I.Q. category that performed projects on a DIY basis found lower price more important than those who hire contractors. The latter group found brand selection more important than did those in the former category.

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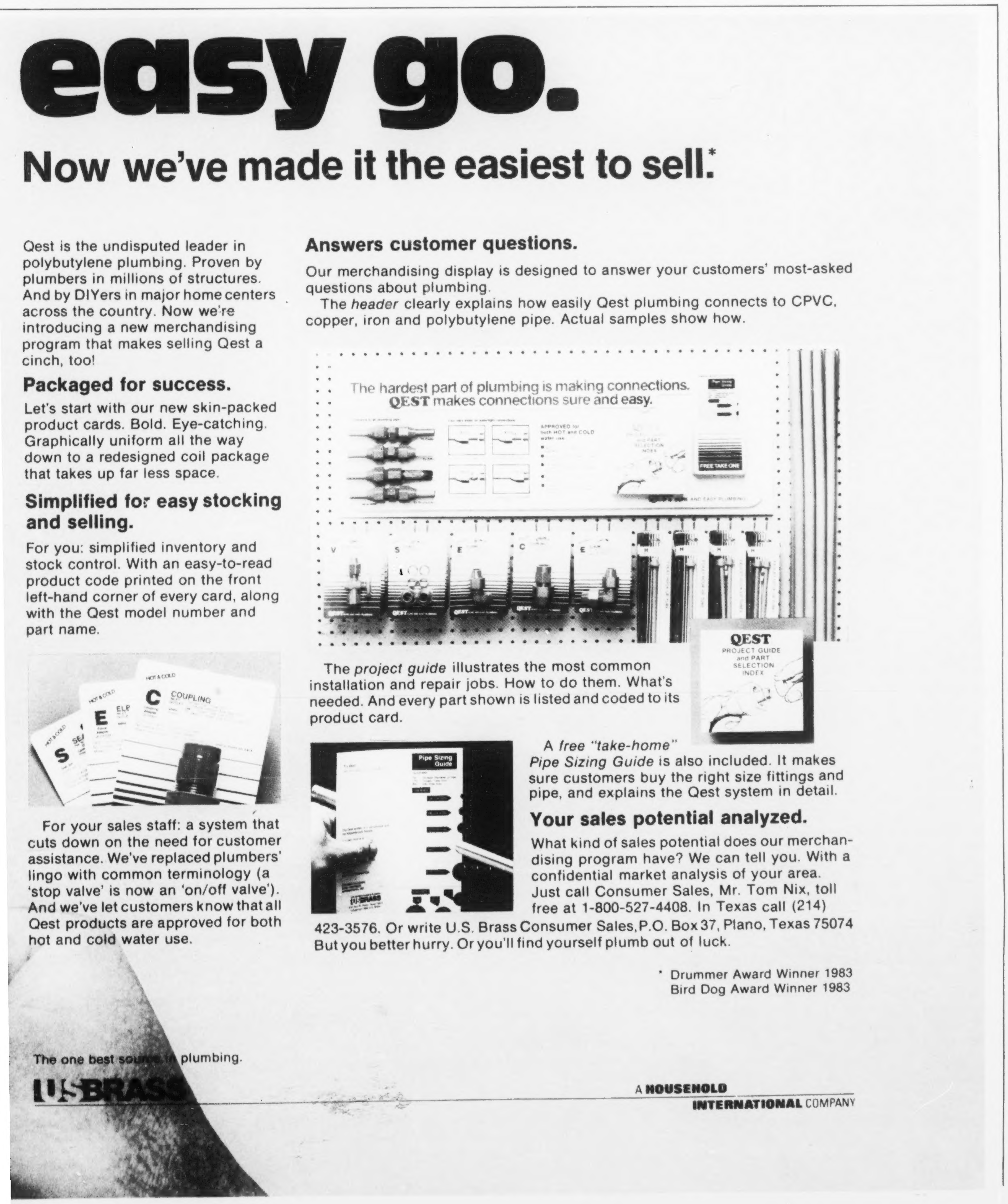
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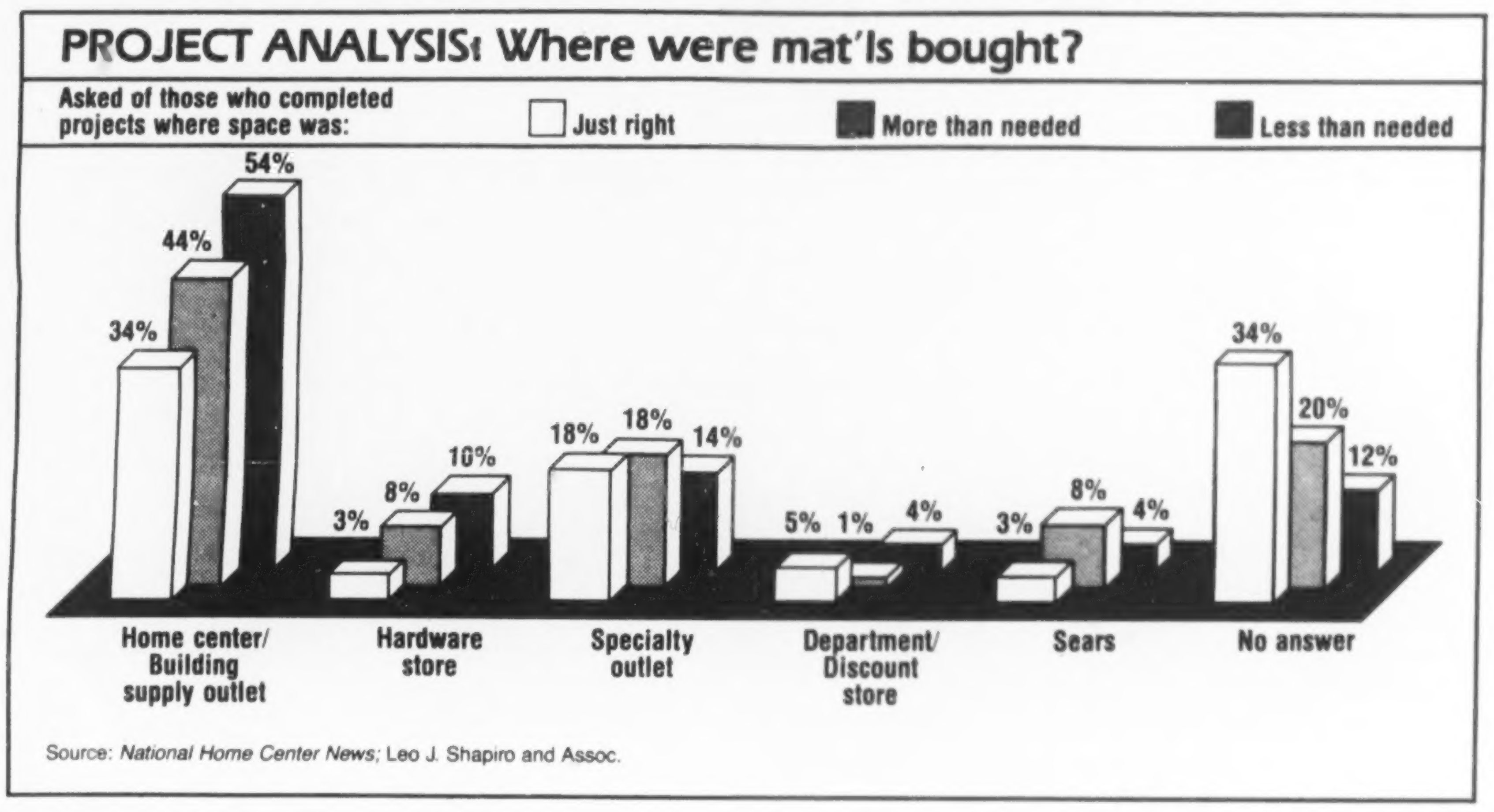
NHCN's 1983 Consumer Attitude Survey

Households completing projects prefer home centers



Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Whatever their perceptions of their space requirements at home, consumers preferred home centers as their primary source of building materials.

Of those households completing a $100 or more home improvement project last year, a clear plurality preferred home centers as their primary source of supply for materials used in the projects, according to a *National Home Center News* survey.

However, elsewhere in the study it was found that home centers still don't rank very high as the one type of store that comes to mind when consumers think of all their home improvement needs. While consumers may prefer home centers, they still chose specialty stores, discount outlets and other retailers for certain products.

The fact that households are still relying on several types of stores for all their needs is reinforced by the fact that the average ticket sale of $1,162 spent at the primary retailer by consumers undertaking major home improvement projects falls far short of the average total cost of those same projects.

Householders who said they had less living space than they needed expressed the most enthusiasm about home centers, since a majority of them, 54%, said they preferred such stores and had shopped there as their primary source for materials.

Those with more space than needed selected home centers 44% of the time. Those who said their space was just right picked home centers 34% of the time.

Specialty stores, the second most popular retail category as primary source of materials, was selected by consumers from 14% to 20% of the time depending on their space perceptions.

The mean average materials ticket was $1,628 for consumers who said their space was just right. Those who said they had more space than needed spent an average of $1,070. Those with less space than needed spent an average of $1,161.

Consumers will travel longer for major items

Consumers are willing to travel longer distances for their major, higher-priced purchases, according to a new *National Home Center News* survey of 458 households nationwide.

Consumers will travel over 15 minutes for big ticket categories. They will travel farthest for floor coverings like tile, carpeting and linoleum, for which the preferred store averages 17.6 minutes from home. And 28% of people interviewed said they would travel over 20 minutes to get to the store they want.

The category second in length of time people will travel is heating and air-conditioning equipment. People will travel an average of 16.3 minutes and nearly 20% of them will travel over 20 minutes.

Householders will also go the distance for building supplies such as lumber, paneling and insulation, to the extent of 15.1 minutes.

Products of smaller size and price are purchased at stores closer to home. People travel from between 13 and 15 minutes for hand tools (13.3), wall or house paint (13.5), security hardware like locks, alarm systems and smoke detectors (13.9) and power tools (14.8).

Consumers usually travel on average, less than 13 minutes but more than 11 minutes, for nonspecific and cheaper items.

SHOPPING PROFILE:

How far will you go to shop for:

(in mean minutes)	Nat'l	H.I.Q.*
Floor coverings	17.57	16.16
Heating & air-conditioning	16.27	16.38
Building supplies	15.09	15.07
Power tools	14.79	14.91
Security hardware	13.90	12.98
Paint	13.52	12.99
Hand tools	13.28	13.01
Plumbing supplies	12.90	12.27
Electrical supplies	12.38	11.56
Hardware	11.50	10.64

H.I.Q.* = those respondents identified as having completed/planning a project costing $100 or more in past/coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

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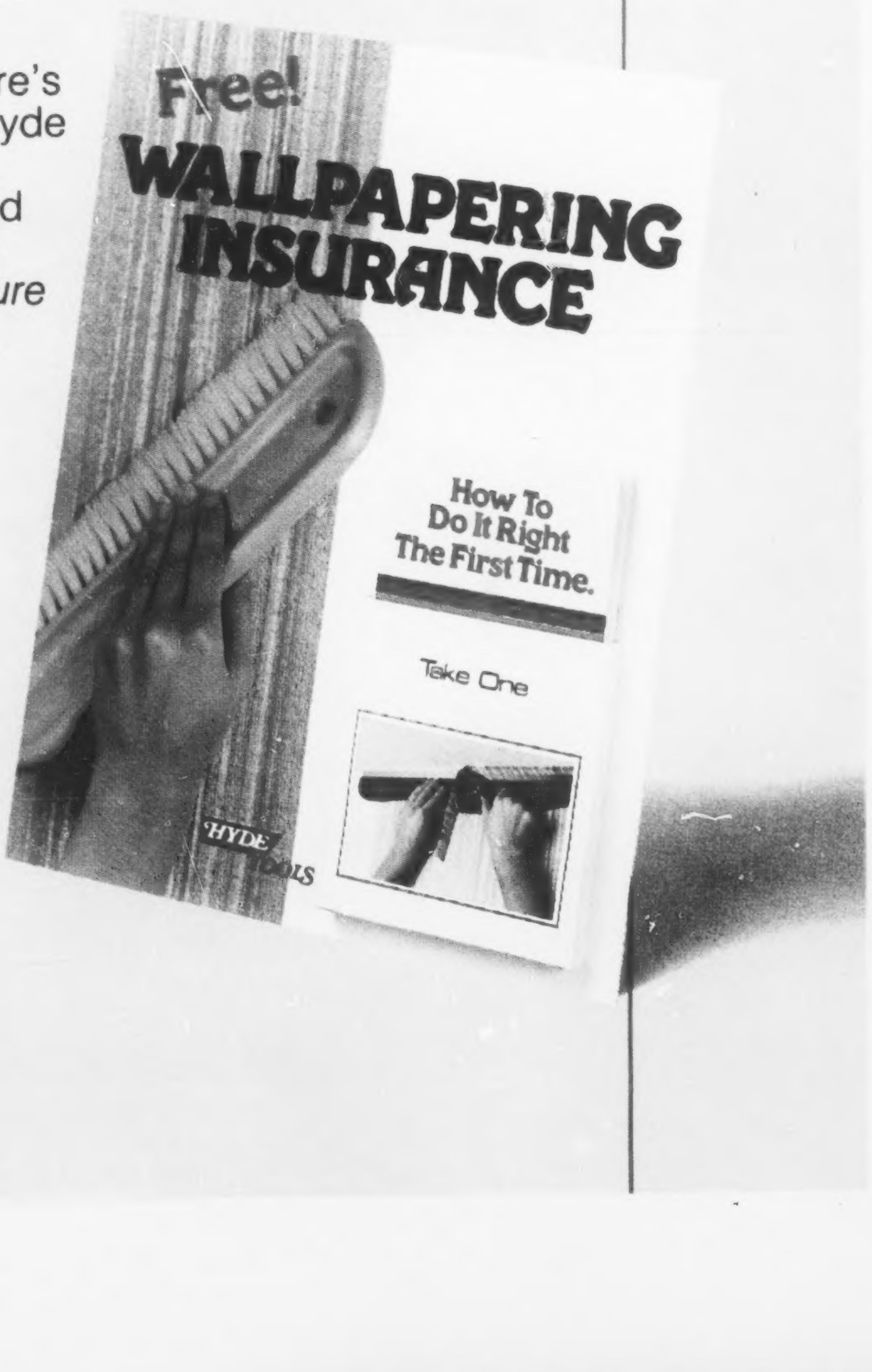

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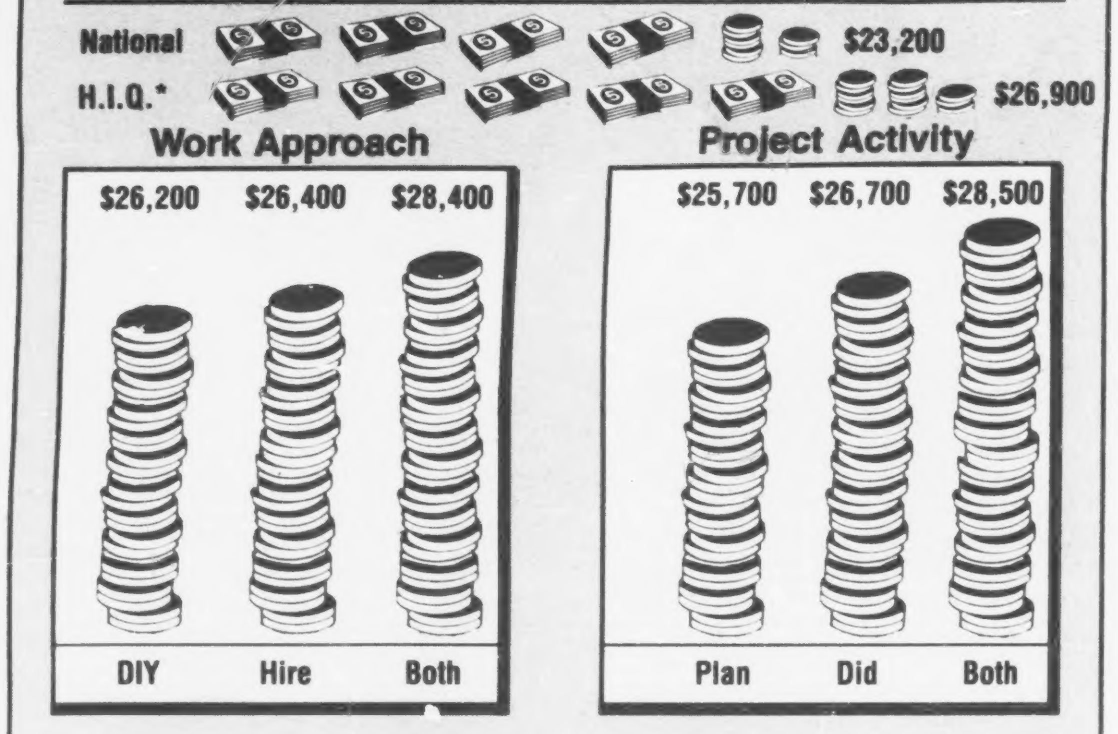
NHCN's 1983 Consumer Attitude Survey

Home improvers tend to be affluent, skilled

CONSUMER PROFILE:

Combined Income



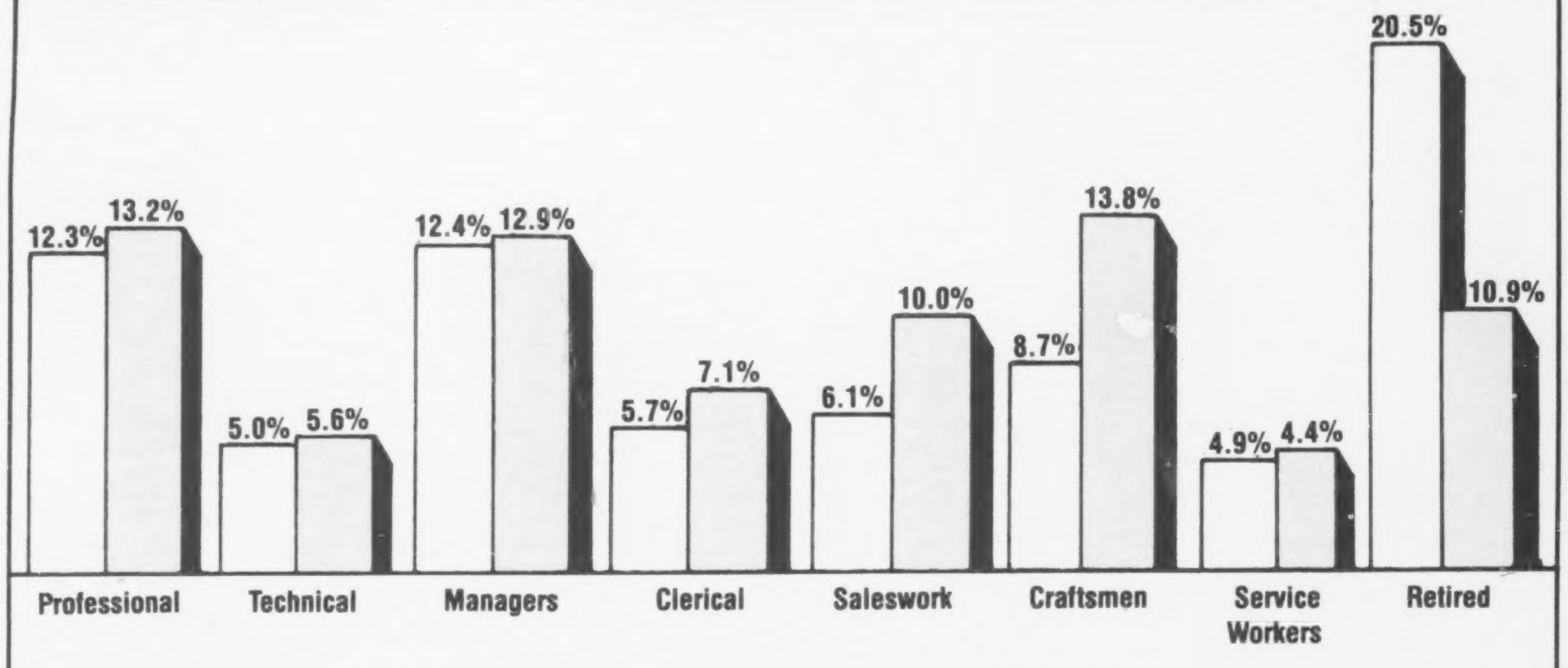
H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

The average income among households that completed a home improvement project of $100 or more last year or plan one during the next 12 months was more than $3,500 above the $23,200 average national household income. Among this group, households with the highest incomes are more likely to hire a contractor and are also more likely to have both completed a project and be planning another.

CONSUMER PROFILE:

Type of work ☐ ***NAT'L*** ▨ ***H.I.Q.****



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Over one-fifth of all households nationally are headed up by a retiree, but just under 11% of the homes where a home improvement project is planned or completed are occupied by retired persons. Among home improving households, 13.4% are employed as craftsmen, the highest percentage, whereas managers account for the second-highest employment group nationally. Moreover, 41.2% of households involved in home improvement projects of $100 or more have one wage earner, and another 38% have two, both percentages higher than the national averages.

(Continued from page 18)

employed contractor assistance was $28,400; those "most active" households that did a project and are planning another had incomes of $28,500, higher than either the $26,700 average for homes that completed the job over the last 12 months, or the $25,700 income average for households planning a job over the next year.

When combined income is discussed, it is essential to note that of all households nationally, including the active home improvers, more than 7% had three or more persons bringing in a paycheck, an indication that a growing portion of the population has found it necessary to more than "double up" to afford housing.

> ***Of all households nationally, more than 7% had three or more persons bring in a paycheck***

However the largest number of homes nationally, 40.3%, still have only one wage earner and within those households involved in home improvement activity, more than 41% have only one member employed. Another 37.6% of the home improvers have two members employed, compared with 29% nationally.

But of note also is that one out of five households nationally have no wage earners, a figure that drops to less than 11% among households involved in home improvement projects, which suggests a substantial untapped retiree market.

Among the qualified household group that was engaged in a $100 or more project, 13.8% were craftsmen and another 13.2% were professionals, with managers accounting for 12.9%. After retirees, managers make up the largest percentage—12.4—of total households nationwide.

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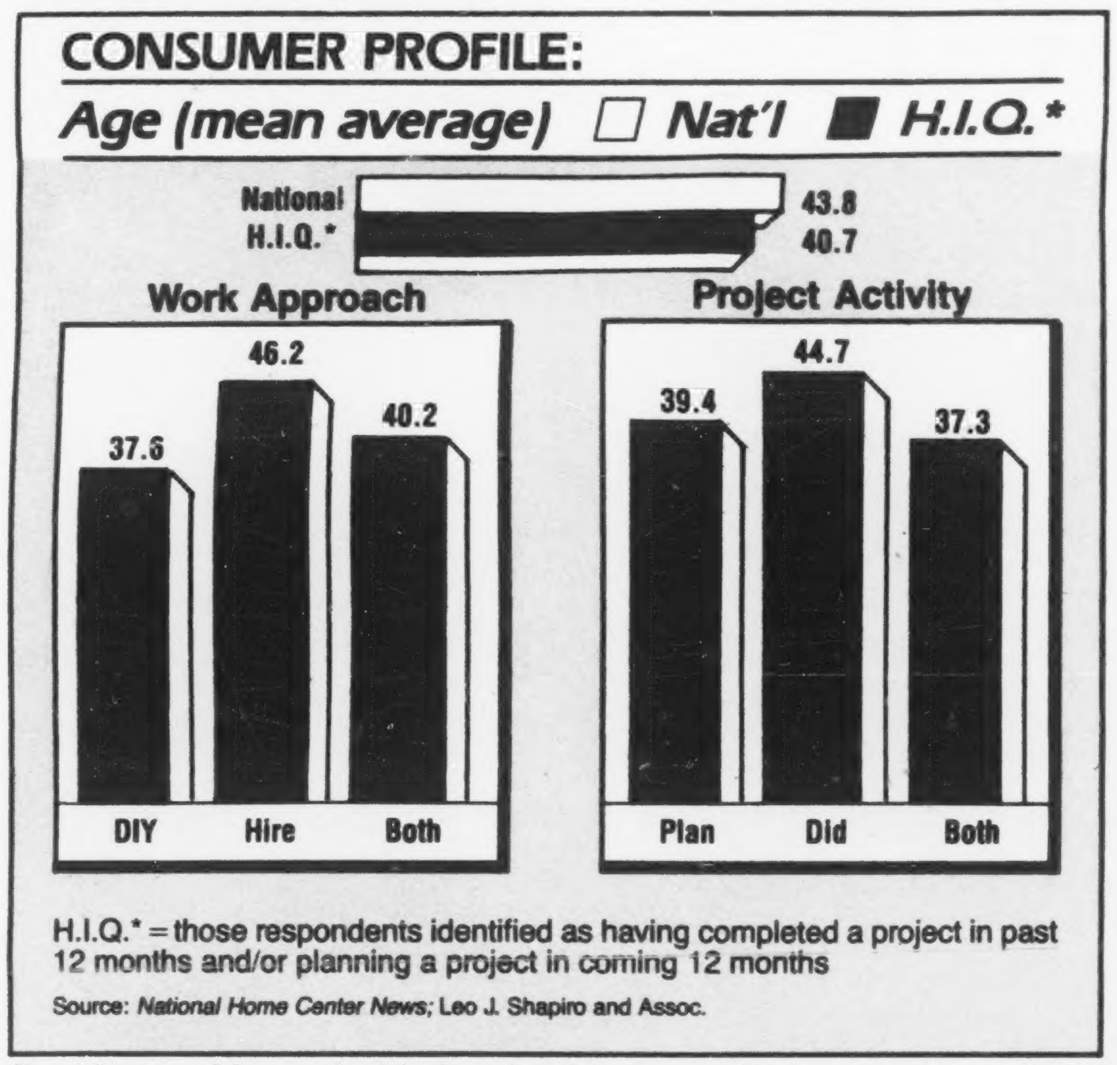
NHCN's 1983 Consumer Attitude Survey

Baby boomers, women remain most active improvers

The 30-34 year age bracket makes up the plurality—close to 20%—of those households involved in a home improvement project of $100 or more.

This age group, part of the baby boom generation, also accounted for 16% of all households nationally, again the highest percentage group in this mix.

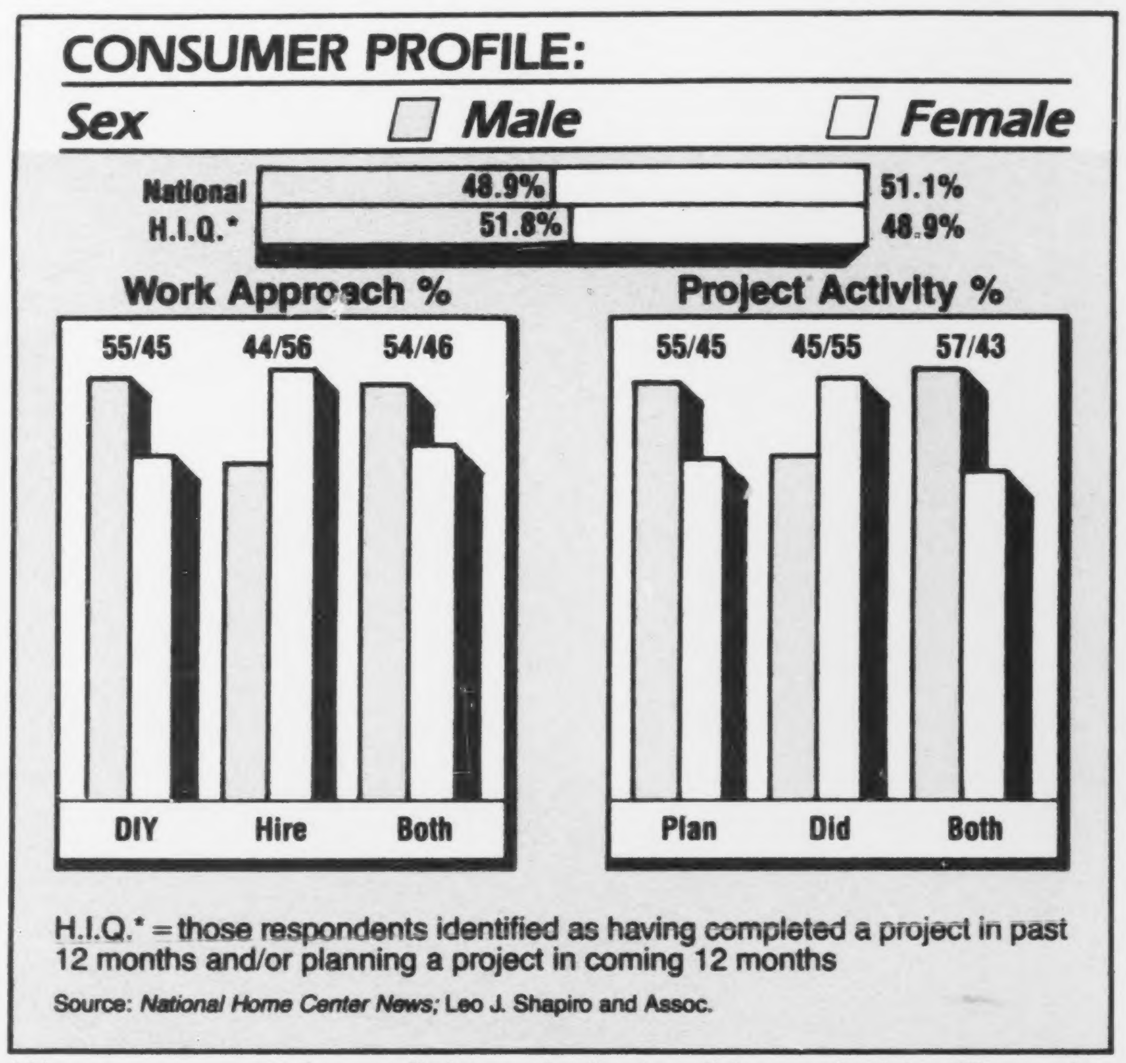
Those households having either planned or completed a $100-plus home improvement project averaged 40.7 years old, more than three years younger than the national average for all households. In fact, slightly more than half of this qualified group were 39 years old or younger.



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Residents of households involved in home improvement projects exceeding $100 averaged 40.7 years of age, more than three years younger than the national average for all households.



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Women account for a slight majority in all households. They also were more prone than men to complete a remodeling project in the last 12 months, and to hire a contractor to do the work.

However, among these active home improvement households, those who actually completed a home improvement project of $100 or more in the past 12 months were older, with 44.7 years being the mean age.

The same holds true for those active home improvement households that employed a contractor to do a project: these households averaged 46.2 years old, compared with a younger 37.6-year-old mean for households completing the job themselves, and the 40.2 year average for those who did the DIY work with the assistance of a contractor.

Women outnumber men, 55% to 45%, among those who completed a project last year.

Those planning to do a job this year showed up in *NHCN*'s survey as being younger—39.4 years old as an average—than those who completed a job, while the "most active" households having done a project and are planning another soon are just a bit over 37 years old.

Actually, the age differentials between all households and those of the active home improvement group vary only minimally except in the 65 and older bracket, where the proportion of households involved in a home improvement project of $100 or more falls off to about 5% of the total.

Another component in this clustering is sex, and the survey found that women are participating in more complicated projects, and are even taking on the project themselves in some instances.

While national averages for all households shows a 48.9/51.5 male/female split, the reverse is true among households involved in home improvement projects: They are composed of 52% males, 49% females.

Among all DIYers, the percentage of men outnumbers women 55/45, but the opposite is true among those who did, or plan to hire professional help. The percentages reverse when looking at who actually completed projects last year, where women, in fact, outnumber men, 55% to 45%, among those who completed a project of $100 or more last year. Not only are women the primary shoppers in home centers now, they are also tackling a greater array of projects.

Nevertheless, men represented the larger percentage of those who completed a project with the assistance of a contractor, 54% or 46%, and those who not only completed a project but were planning another presently, 57% to 43%.

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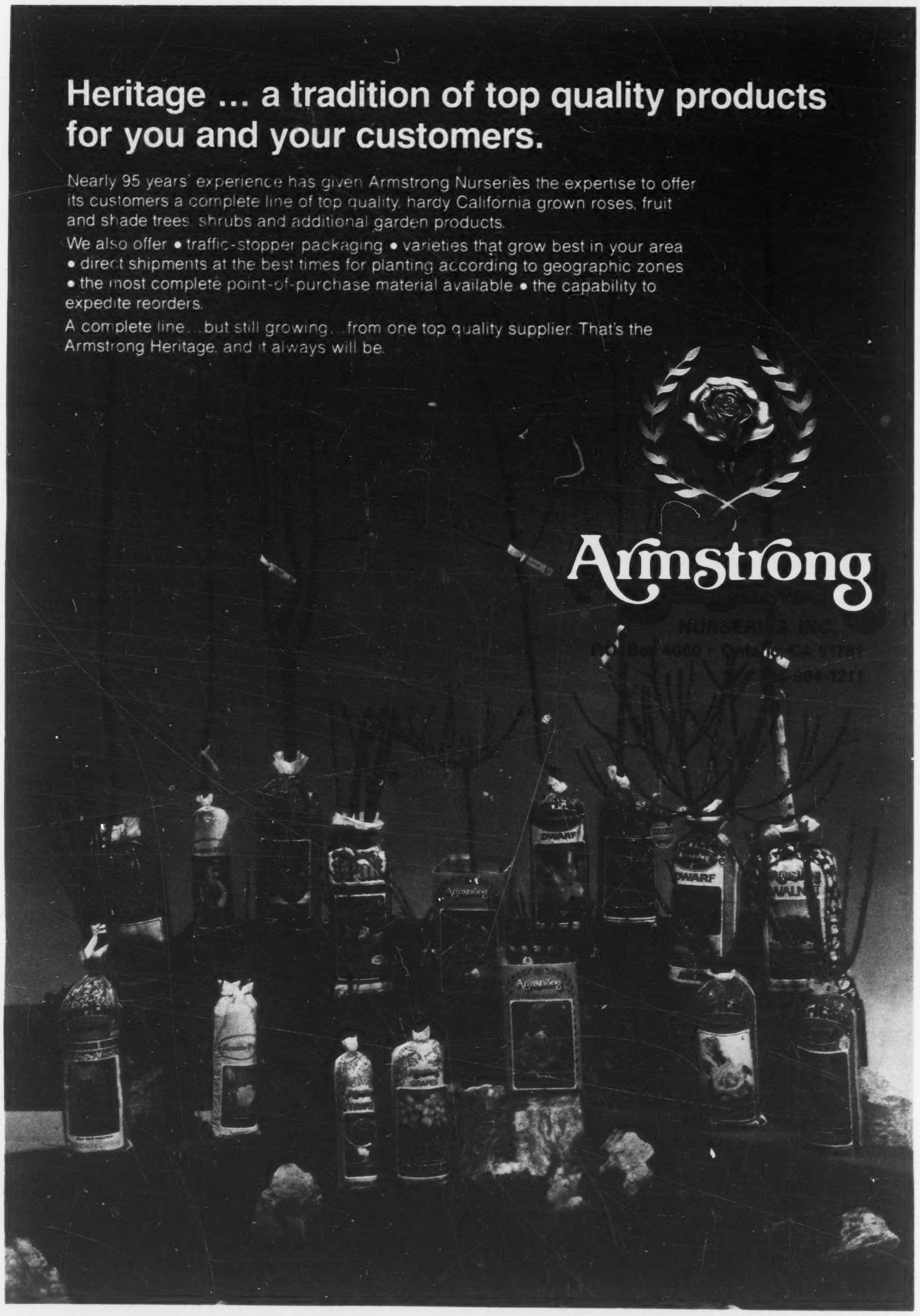
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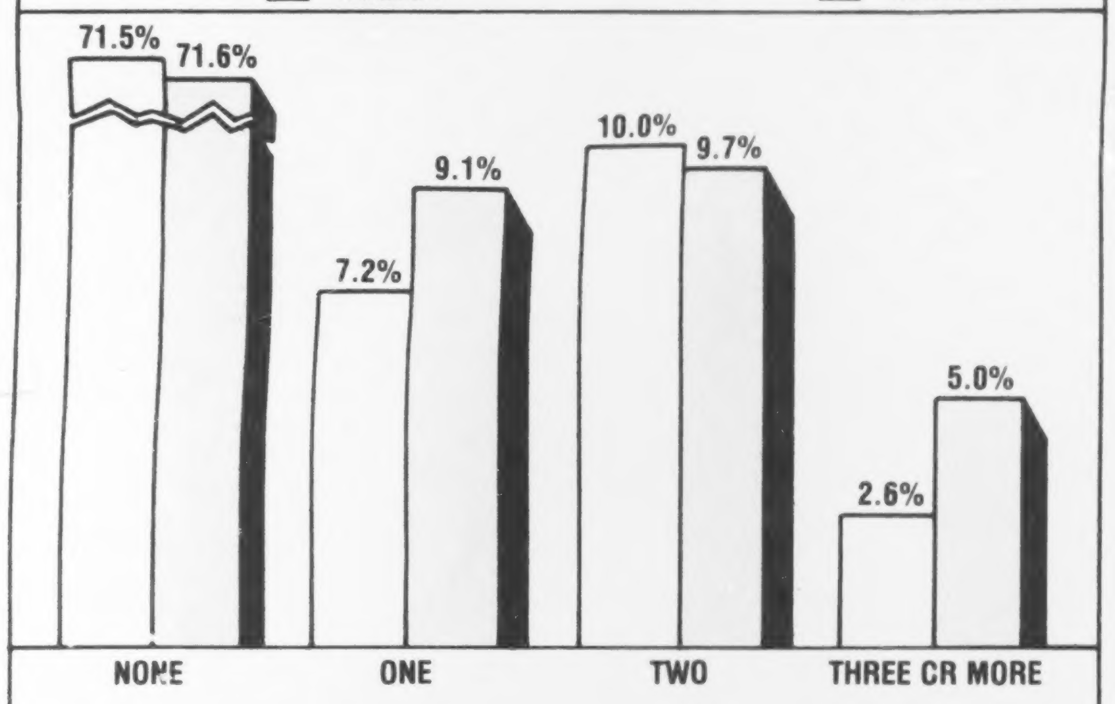
NHCN's 1983 Consumer Attitude Survey

Shrinking households will affect future fix-ups

CONSUMER PROFILE:

Number of children planned

☐ ***Nat'l*** ☐ ***H.I.Q.****



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

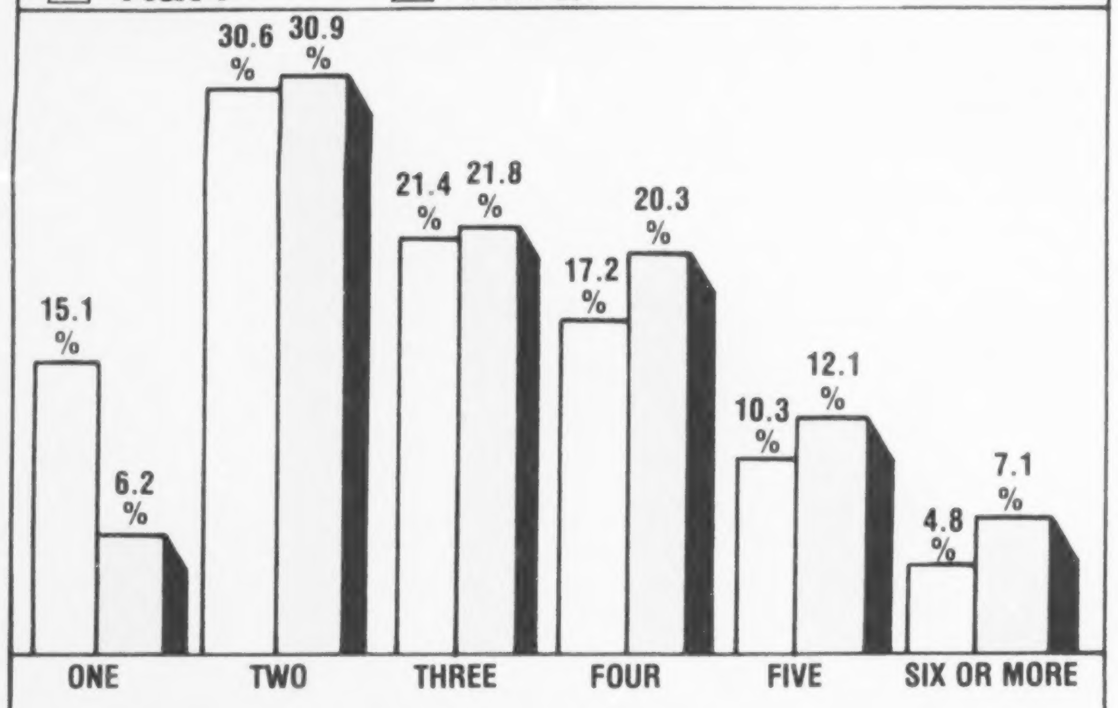
Source: *National Home Center News;* Leo J. Shapiro and Assoc.

A baby boom does not seem imminent, according to a new National Home Center News *survey that shows over 7 out of every 10 households, both in total and in the group designated to have been involved in a $100-plus home improvement, not planning to have any children. A combined 20% for both groups indicated they were planning two children.*

CONSUMER PROFILE:

Number of Persons in Household

☐ ***Nat'l*** ☐ ***H.I.Q.****



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Over 15% of the total households in the United States have only one occupant, according to a new National Home Center News *survey. Almost one-third had two persons in residence and another 21% had three. In the H.I.Q. group, only 6% of households surveyed have just one occupant. In comparison, 31% had a two-person household, and 22% of the homes had three occupants.*

Nearly one out of every seven of America's 83.5 million households has only one occupant, and among the households involved in a $100 or more home improvement project, close to one-third are occupied by only two persons.

Further indicating that households are getting smaller is the remarkable statistic that 58% of all households had no children and more than 7 out of 10 nationally said they planned to have no children in the future. In the active home improvement household sector, there was little disparity from national findings: almost half of the homes had no children and more than 71% said they had no plans to have children in the future.

This trend toward the smaller family unit will affect not only the size of America's new housing stock, which in all likelihood will have downsized living quarters, but also the future needs in the home improvement market.

It appears that the larger family is going the way of the eight-cylinder automobile: only 4.8% of the national household sample had six or more occupants in the home, and 7.1% among the 27.5 million active home improvement households in the survey.

Among these households involved in $100-plus home improvement projects, 39.5% had four or more residents—an average of 3.3 persons per home. The number of households nationally having four or more persons fell to 32% of the total, and the national sample revealed that these homes averaged a bit less than three persons per unit.

An equal percentage of the national households and those involved in home improvement projects—21.4 for the national sample, 21.8 among those involved in $100 or more jobs—housed three persons.

In addition, about one-fifth of the households in the home improvement group had only one child, compared with 19% of the total households. For the future, about 10% of each group's respondents said they planned to have two children, with 7.2% of the national households and 9.1% of the active home improvement group stating that their homes would eventually have one child.

Regional stats

(Continued from page 16)

in terms of population that market is strong, since 14.1%. of households nationally that are involved in home improvement live in New York, Pennsylvania or New Jersey.

Viewing the Sunbelt as three separate areas, home improvement is strongest in the South Atlantic States where 11.5% of the nation's 27.5 million home-improving households reside. Looking at the area another way, about one-third, 32.5%, of its households are involved in home improvement.

The West South Central region is second in strength with 5.9% of the nation's home improving households living there and 30.4% of the region's households now fixing up their homes.

Only 4.1% of households involved in home improvement live in the East South Central States where 24.9% of the households are involved in home improvement.

In New England 37.9% of the region's households are involved in home improvement,

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Americans keep homes longer; more remodeling than moving

Households completing a home improvement project of more than $100 in the past year occupied that residence an average of 12 years, significantly longer than the 9.8-year national average.

This longer length of home tenure, revealed in a recent *NHCN* survey, indicated that many Americans faced with high mortgage interest rates have opted to forego moving and, in many cases, have decided to remodel their homes. Both the national and qualified household groups' length of home occupancy exceeds the prerecession average of seven years, evidence that people are simply staying in their homes longer.

Among households where $100 or more was spent on a project last year, those that hired a contractor to do the project lived in their homes longer—an average of 12.8 years—than did those who did the projects themselves, who averaged 8.2 years. Households that used a combined DIY-contractor approach lived in their homes 8.4 years.

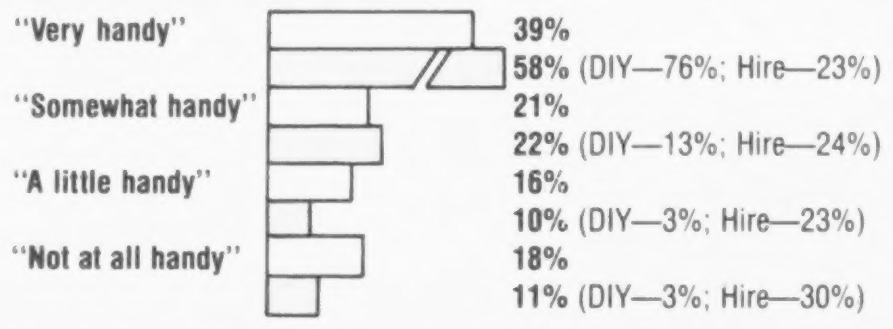
The shorter length of stay by DIYers may reflect an established tendency among that group to concentrate their home improvement efforts soon after moving into the new home, whereas households relying on a contractor tended to be older in age and conform more to the overall demographic profile of that group which hired a professional to complete a project.

Interestingly, those households whose occupants not only

(Continued on page 53)

CONSUMER PROFILE:

How handy are you? ☐ ***Nat'l*** ☐ ***H.I.Q.****



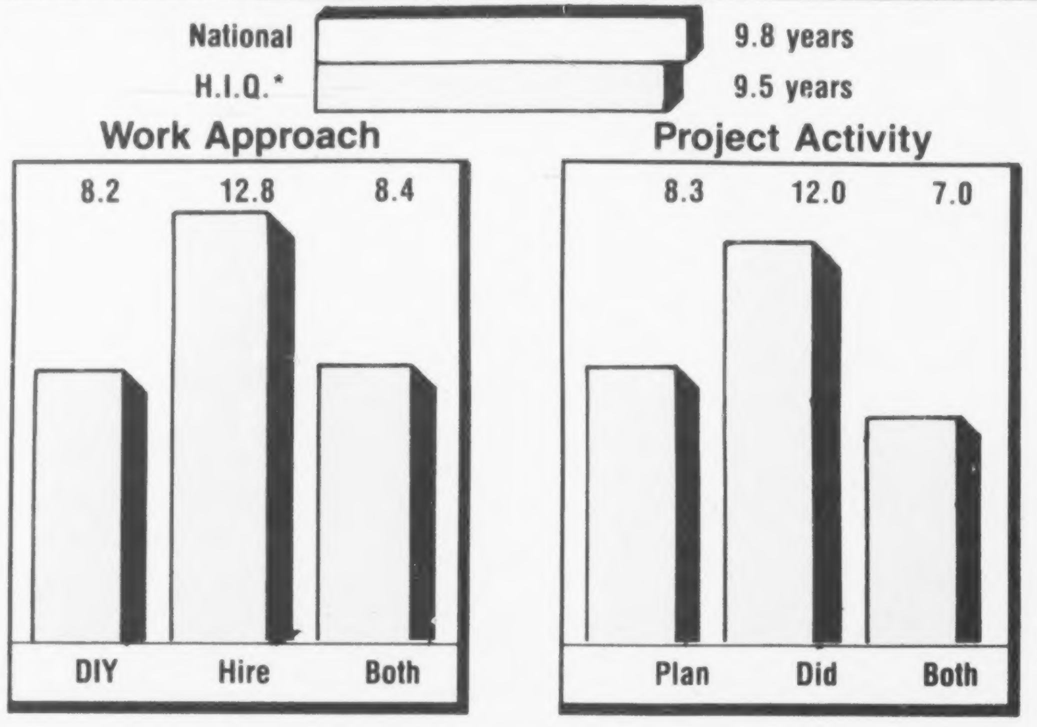
H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

Among households that are active in home improvement 58% of respondents viewed themselves as "very handy." Even among the nation's households generally, respondents answered that they were "very handy" a strong 39% of the time.

CONSUMER PROFILE:

Number of years in current home (mean) ☐ ***Nat'l*** ☐ ***H.I.Q.****



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

There was not much difference in the average tenure of occupancy between the national average of 9.8 years and the 9.5 average for those households whose residents either completed in the past year or are planning in the coming year home improvement projects exceeding $100. However, in that latter group, those residents who actually completed a project in the past 12 months averaged 12 years occupancy in their current homes. Households that hired contractors to complete projects lived in their homes for the longest period, an average of 12.8 years.

Three out of five think they are somewhat handy

While a third of America's households were involved in major home improvement projects last year, 3 out of 5 Americans still consider themselves at least "somewhat handy," according to a new *National Home Center News*' survey.

Respondents representing almost 39% of the nation's 83 million households view themselves as "very handy." Among the 27.5 million households that are considered to be active in home improvement projects, almost 58% of those questioned see themselves as "very handy."

This apparent sense of confidence in undertaking repair and remodeling projects obviously has positive implications for the home center industry as it seems to imply that consumers may be willing to tackle more complicated and perhaps larger and more expensive jobs.

In the survey, the question was posed: "Thinking about the kinds of work that some people do to repair or fix up their homes or things in their homes, that is, do-it-yourself jobs like carpentry, plumbing, wiring, plastering, painting . . . wallpapering and so on, how handy would you say you are at doing these kinds of things?"

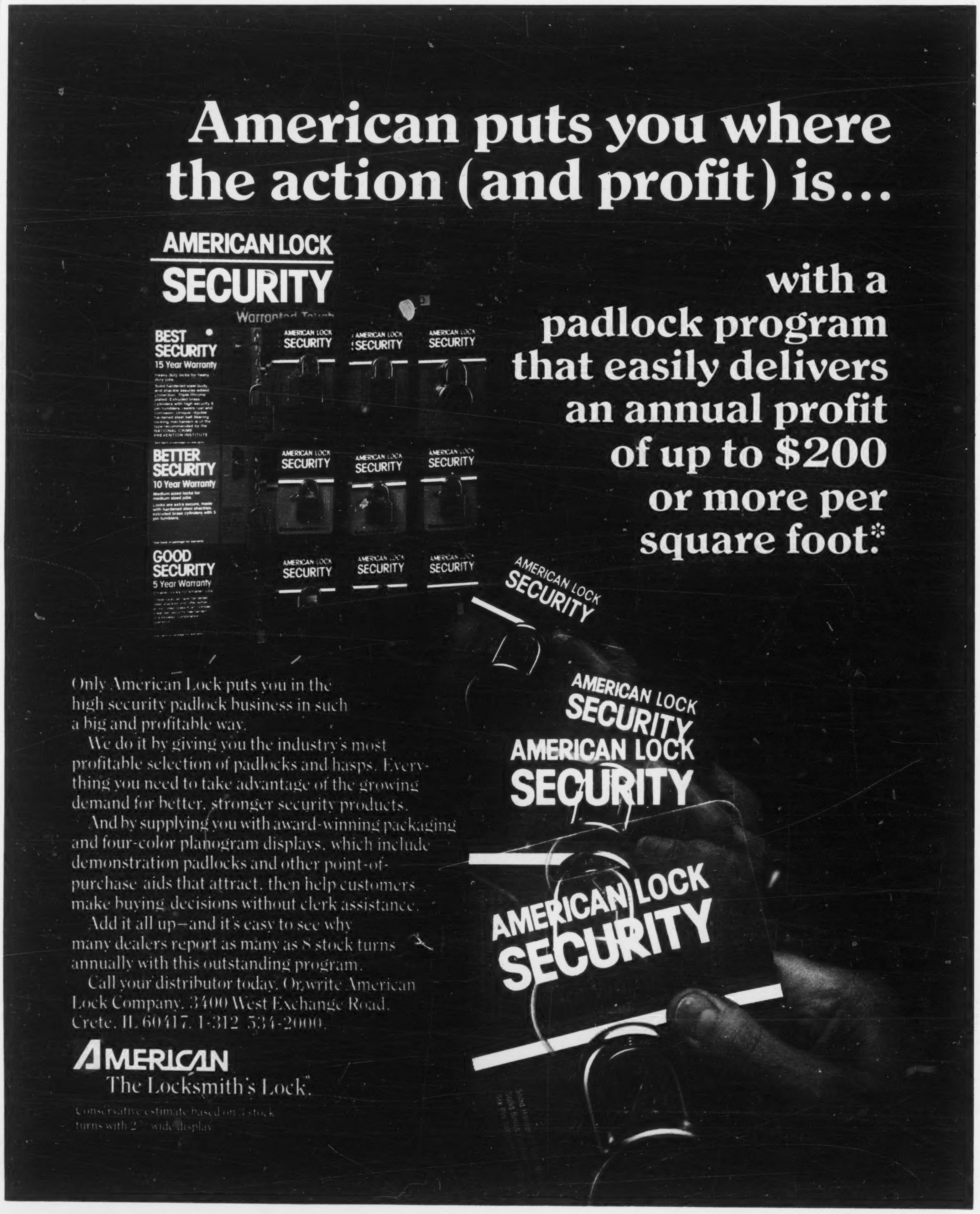
Possible responses were "very handy," "somewhat handy," "a little handy," and "not at all handy."

Among the general national group and the group that had either recently completed or was planning a project costing $100 or more (the H.I.Q. group), a plurality of respondents answered that they were "very handy," while among both groups only about 21% said they were "somewhat" handy.

About one third of the general group felt they were only "a little" or "not at all" handy. That figure dropped to about 21% among the active home improvers.

Predictably, there was a high proportion of DIYers among the H.I.Q. respondents who saw themselves as "very handy." More than three quar-

(Continued on page 53)



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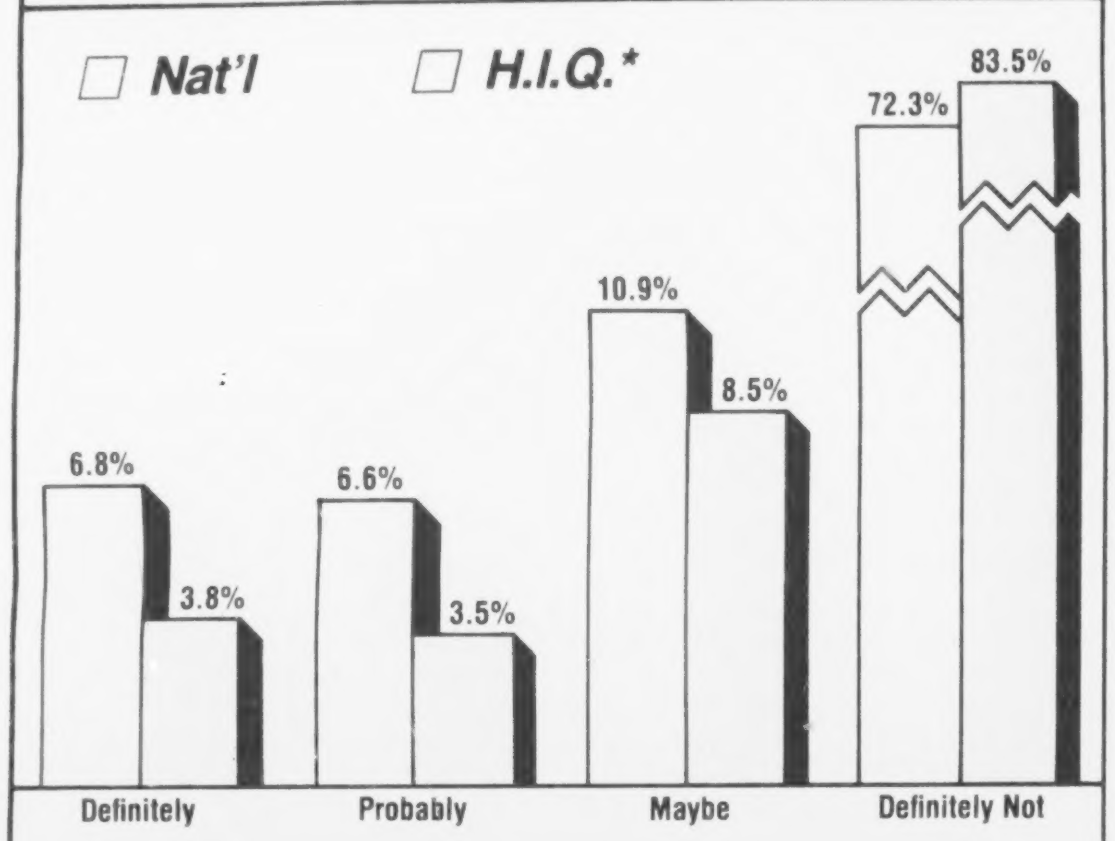
CONSUMER PROFILE:

Probability of moving in next 12 months



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

While a relatively high percentage of those households that either completed a home improvement project of $100 or more in the past 12 months or are planning one in the coming 12 months eventually planned to move, more than four out of every five said they would "definitely not" move in the next 12 months. That figure is considerably higher than the national average and an indication that this group has a greater stake in their current residence and would probably remain in the current homes for a greater number of years.

Americans keeping their homes

(Continued from page 51)

completed a project but are already starting another in the coming year have an average seven-year tenure, again an indication that work on these homes is being done much sooner after the homeowner moves in. The fewer years in residence is perhaps because this is a more affluent and therefore more mobile group.

The survey found that, nationally, 69% of all households are owned by their occupants, whereas that figure rises dramatically to 94.4% among those households involved in a $100 or more home improvement project.

People who hire a contractor to complete this work are more likely to own their homes than DIYers (96.8% vs. 92.3%), with over 95% of these households having hired a contractor and done some of the work themselves. However, it was also evident that households in which a home improvement project was completed were more likely to be owned by their occupants (96.1%). Ninety-two per cent of those households having completed a project and are on their way to starting another in the next 12 months are owned by their residents.

How handy?

(Continued from page 51)

ters of them said that they did projects themselves.

Conversely, respondents most inclined to hire a contractor were among those who felt they were "not at all" handy; about 30% turn to professional help to complete projects.

There may be potential for home centers among the roughly 21% of the H.I.Q. group that feels it is only "a little" or "not at all" handy. Only slightly more than 5% did projects by themselves.

Too much, too little living space

(Continued from page 18)

Among those households looking to buy a home, 68.2% of the national sample and more than 4 out of 5 households involved in home improvement projects would buy a single-family home. Within the active home improvement group, 85.5% said they would conduct a $100-plus remodeling project themselves upon moving into a new home, whereas nearly 70% would hire a contractor.

About 20% of all households would rent an apartment, 7% would buy a condominium and 2% would reside in a mobile home; among households on the move that were involved in a home improvement project, less than 10% would rent an apartment, and only 6% would move into a condo.

Outside of those who planned to move into a single family home, there was little inclination shown toward DIY activity among the active home improvement households, with a higher plurality saying that, were they to move into these other types of lodging than a single-family home, they would employ a contractor to do any remodeling.

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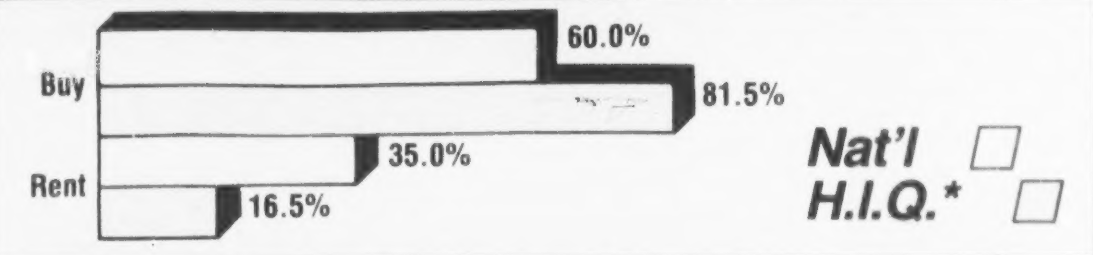
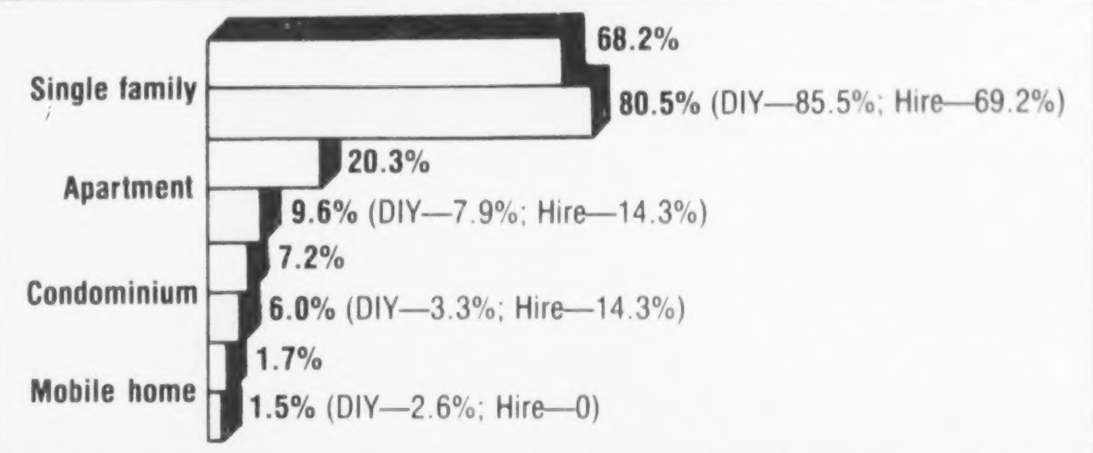
CONSUMER PROFILE:

If you move, would you rent or buy?



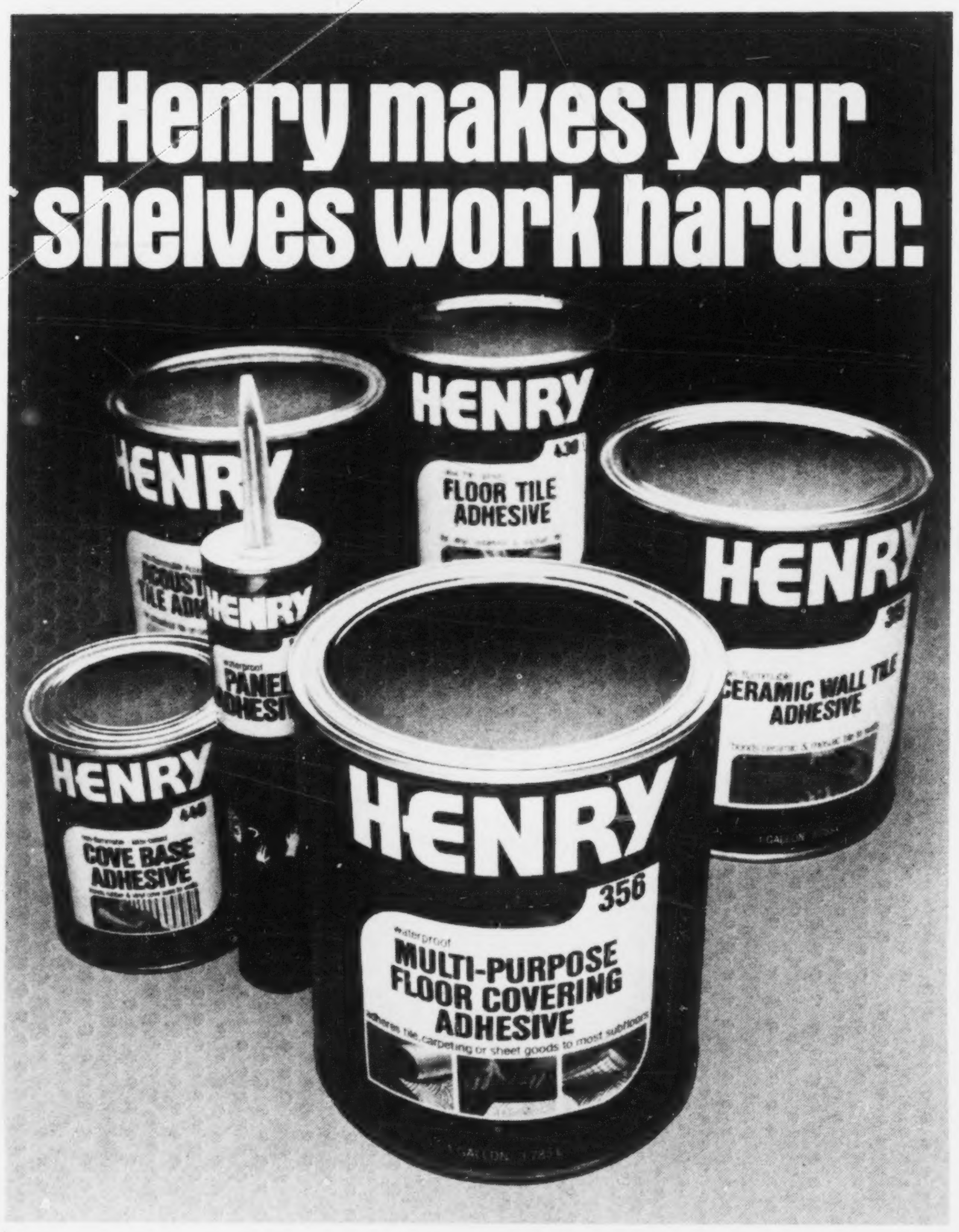
Type of home you would get



H.I.Q.* = those respondents identified as having completed a project in past 12 months and/or planning a project in coming 12 months

Source: *National Home Center News;* Leo J. Shapiro and Assoc.

While 60% of all households said that they would buy their next home if they moved, more than 80% of the active home improvement households (those who either completed a home improvement project of $100 or more in the past year or are planning one in the coming year) would be home buyers rather than renters. Four out of every five in this group (H.I.Q.) said they would purchase a single family home, another indication of the latent demand for housing around the country.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LUMBER REPORT

Lumber's supply and demand nearing balance

By Hawk Furman
Special to NHCN

"There is no stopping it; prices can only go higher." Comments like these, after a three month surge in the price and volume of lumber shipped, should be carefully thought through. Nothing is forever, and as with any commodity market, when it seems the best—watch out. It seems a digestion period is at hand brought about by increasing lumber production, which is meeting retail demands.

Retail sales strong

Lumber retailers are having a banner year as compared to the last three years. Builders are smiling as houses are going up everywhere. Chicago, for example, is experiencing a building rate of 150% greater than last year for single family homes. According to Advance Mortgage Corporation, the United States inventory of unsold completed houses was 74,000 in March, the lowest figure since 1972. In order not to get caught short, many retailers are buying more lumber than they currently need. Unfortunately for the consumer, builder and retailer, the median price of a new house is rising, cutting out some prospective buyers. In March 1982, the median price of a new home was $67,200; today it is $73,500.

Interest rates rising slightly

The F.H.A./VA mortgage rate has risen from 11.5% to 12% recently. With the Federal deficit taking 60% of available capital and industry starting to rebound, there could be higher interest rates as home buyers and businesses compete for funds. A 0.5% rate change affects the ability of 1.5 million persons to afford a home.

Production

Supply is the key today to price levels in lumber products. The mills in North America are seeing black ink and additional production continues to come on line. British Columbia Forest Products has announced they will start up their Victoria and Boston Bar sawmills in July. All of British Columbia Timber Ltd. mills are now up and running. Exports of wood from Canada to the United States are up 51% over last year. It is significant to note that offshore shipments from Canada are only up 5%. The prospects for a significant increase in exports to Japan, Britain and Europe are currently not good and a strong Canadian dollar makes the offshore market all that more difficult to sell. Production which is not exported ends up in North America.

The Western Wood Products Assn. reports coastal production is up 37% over last year. The United States lumber industry labor contracts on the West Coast look pretty well settled and it seems more production will be forthcoming.

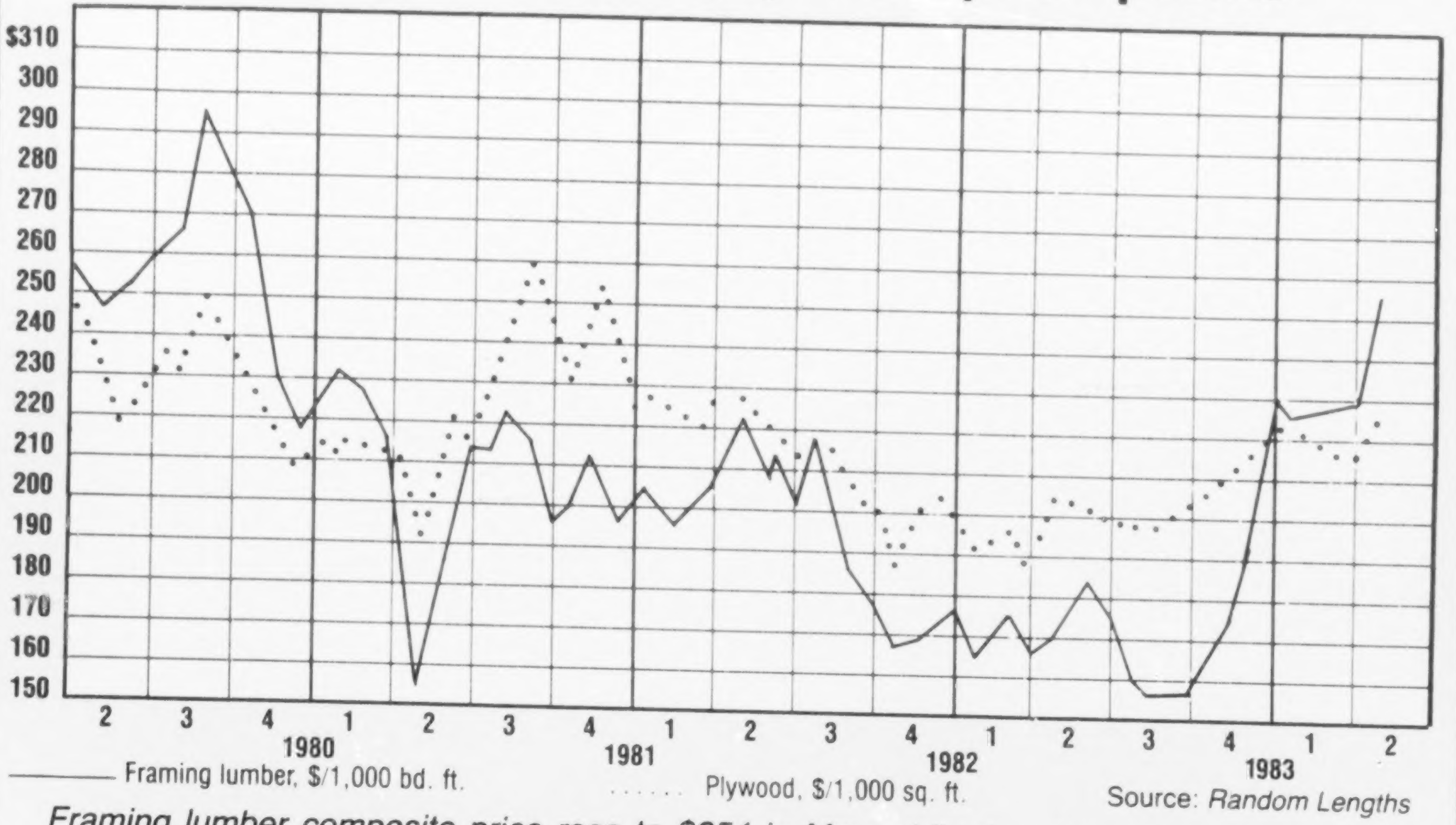
There should be plenty of lumber products to meet demand this summer unless the I.W.A., which represents 48,000 woodworkers in Western Canada, goes on strike. The general consensus is that labor and management will settle peacefully. If a lengthy strike takes place, production will be curtailed and lumber prices will escalate dramatically.

Inventories

Retailers have finished their crisis buying and, in most cases, have sufficient stock for 60 days or more of business. Wholesale inventories are more than adequate to meet retail demand except in some specialty woods like cedar. Cargo lumber on the East Coast has been selling at a rate of 15 million board feet per week. There are currently over 252 million board feet on the ground or on the water. This represents a four month supply at current sales rates. Canadian border reloads and inland United States reloads are well stocked.

The lumber business is excellent and should continue to move at a rapid pace resulting in a tremendous volume of wood shipped and sold this year. Production is rapidly catching up to demand so now is not the time to speculate on price escalation. Buy the wood as you need it.

Composite lumber/plywood price profile



Source: *Random Lengths*

Framing lumber composite price rose to $254 in May, while the plywood composite price reached $228, based on Random Length's weighted averages of nine key lumber and seven key plywood items.

According to Random Lengths, the performance of the lumber composite has been driven by strong stud demand, an indication of increased building activity.

Between May 27 and Jan. 7 stud prices increased 40%, while the composite rose only 27% over the same period, Random Lengths noted. The May lumber composite price was at its highest level since October 1979.

Plywood prices recovered during May from a first quarter slump and reached their highest level since April 1981.

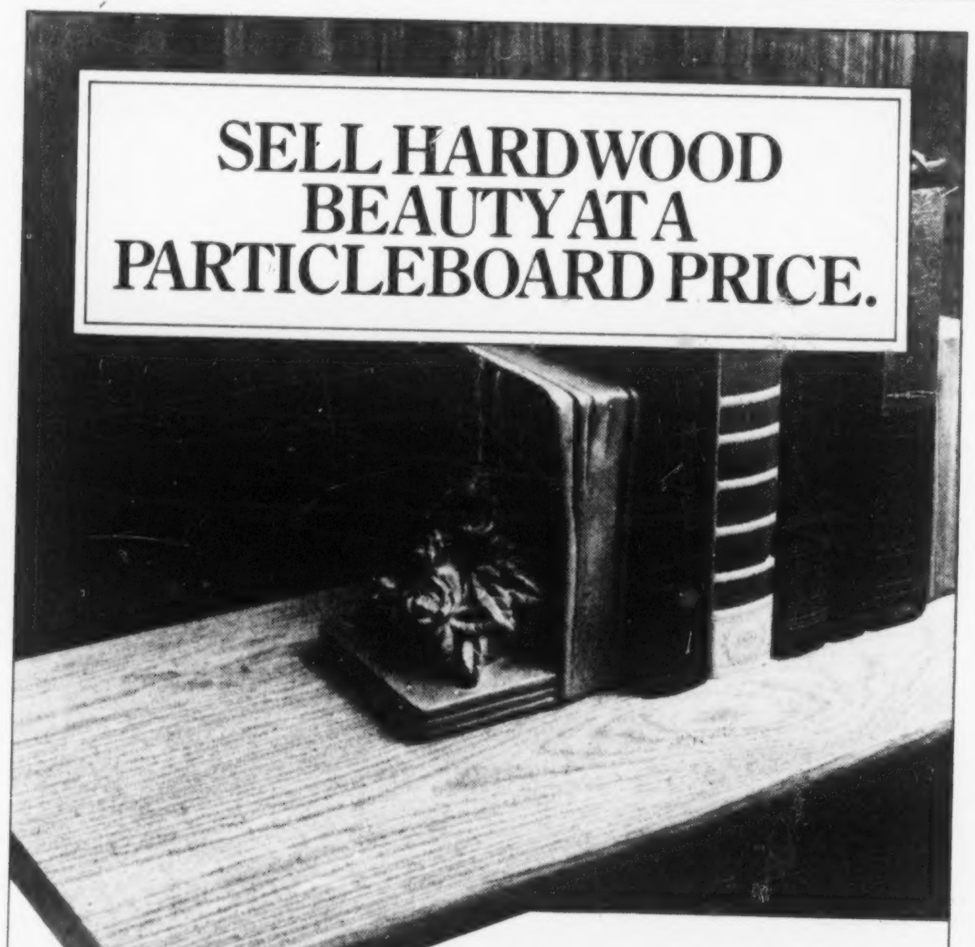
Hawk Furman, president, Furman Lumber, Boston

Energy pub.produces safety slide show

CONCORD, N.H.—The publication *Wood 'n Energy* has produced a 19-minute slide-tape show to inform dealers and their customers of the proper procedures for installing and maintaining wood-burning equipment.

The full-color presentation, entitled "Wood Heat Safety" and produced in cooperation with the University of Minnesota Agricultural Extension Service, covers selection, installation, operation and maintenance along with code and technological requirements.

Further details and information are available from *Wood 'n Energy*, P.O. Box 2008, Concord, N.H. 03301.



Weyerhaeuser Grain Printed Particleboard Shelving has wood grain imprinted directly onto the board. You can sell up from your raw particleboard shelving line with a good margin. And yet you won't take sales away from other shelving products. Weyerhaeuser Grain Print comes in multi-lengths and widths. It's bull-nosed with filled and printed edges.

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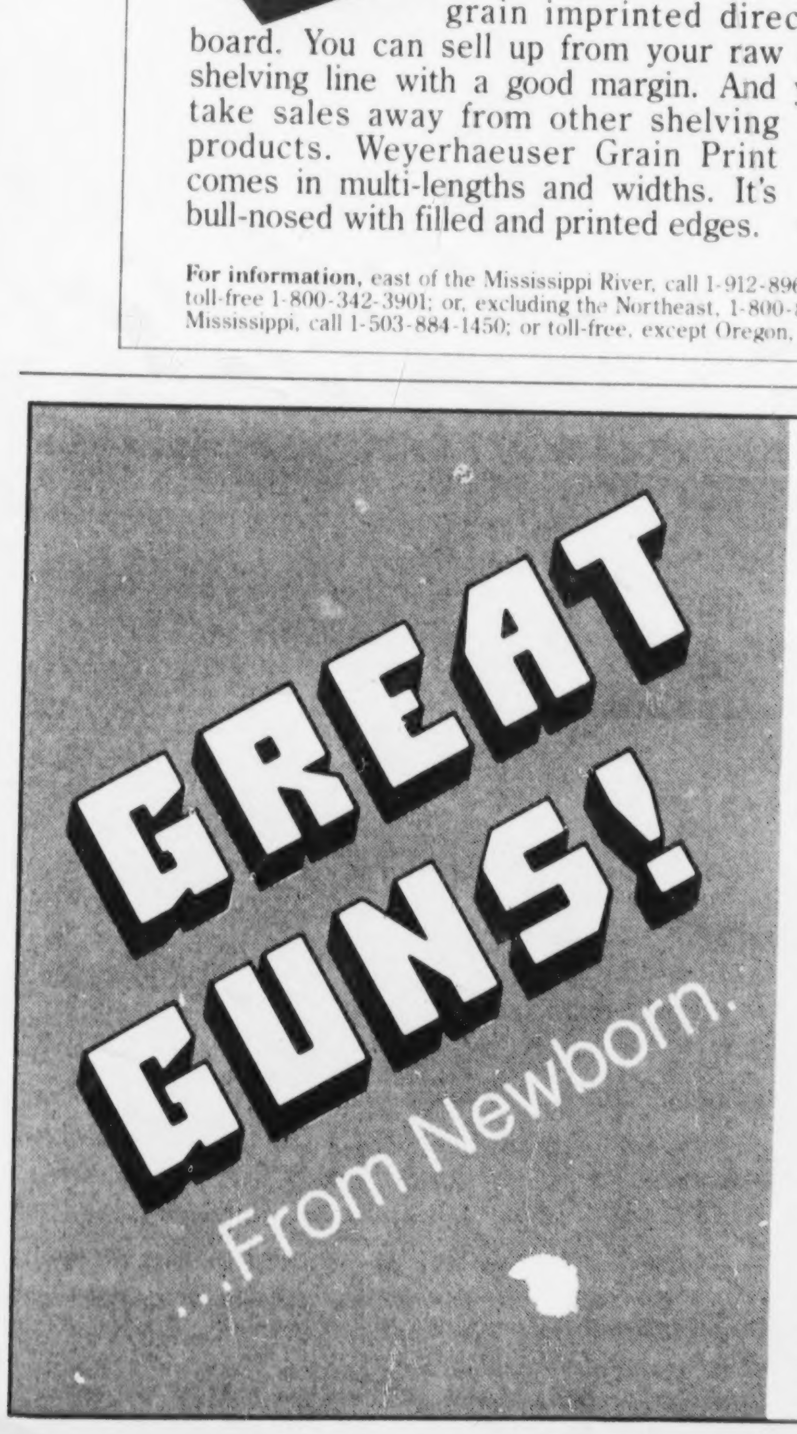

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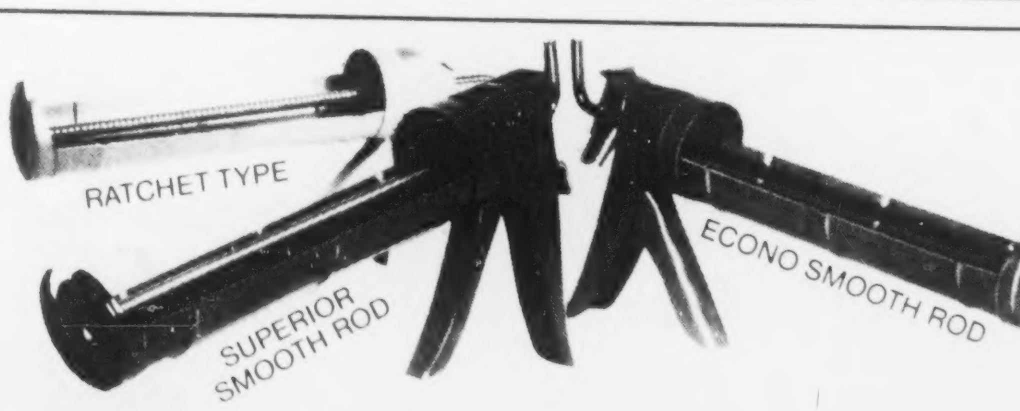

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& Warehouses:
Laguna Naguel, Calif. (213) 249-4600
San Rafael, Calif. (415) 472-3192
Seattle, Wash. (206) 242-6543

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Forest City	4/30-1st qtr.	$72,900	$66,100	10	$1,200	$275	336
Pay 'N Pak	5/31-1st qtr.	53,885	43,944	23	1,568	953	65

*$ in thousands

Builder volume gain spurs Lowe's sales

NORTH WILKESBORO, N.C.—Lowe's is continuing to benefit from sharp gains in its builder sales volume with the four-week period ended May 27 showing a 64% increase in contractor sales from a year ago, officials reported.

Builder volume reached $59.6 million in the period. Combined with a 26% gain in retail sales to $63.5 million, Lowe's sales for May totaled $123.1 million, up 42% from the same period last year.

For the first five months of 1983, Lowe's contractor sales have grown by at least 43% each month and have outpaced healthy gains in retail volume since last October.

The improving economy and housing industry have contributed significantly to the increases, noted officials, who mentioned aggressive merchandising and better market share as additional keys.

At the 231 comparable stores open at least one year in May, overall sales were 40% better at $121.4 million than they were in May 1982.

With almost $423 million in volume through the first four months of its current fiscal year, Lowe's appears headed for its second consecutive year of better than $1 billion in volume.

STOCK PRICES

	As of 6/24	52-week		P/E Ratio
		High	Low	
Boise Cascade (NYSE)	41½	47⅜	19⅞	104
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	16½	16⅛	4⅞	—
Forest City (AMEX)	27⅜	28⅜	11½	17
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	49¼	50⅜	28½	11
The Home Depot (NASDAQ)	27½	50½	8	—
Lowe's (NYSE)	32½	32	8⅝	36
Pay 'n Save (NASDAQ)	26¼	27⅝	8⅜	—
Pay 'N Pak (NYSE)	23⅛	24	18¾	17
Payless Cashways (NYSE) [Furrow]	33¾	34½	10⅝	16
Scotty's (NYSE)	17⅞	21⅛	9¼	19
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	15⅞	16⅜	7¼	—

Over-the-counter stocks

	As of 6/24		52-week	
	Bid	Asked	High (Bid)	Low (Bid)
Erb Lumber	19½	21½	23	8½
Hechinger	29¼	29½	38½	14⅞
Home Centers of America	11¼	11¾	12½	5
Hines Lumber	25	26½	26½	13
Scotts Seaboard [Scott's]	4¼	5½	4½	⅝
Wolohan Lumber	9⅝	9¾	10⅛	3½

New consortium buys consulting firm

PLAINFIELD, Ill.—National Lumbermen's Service Corporation, a new consortium of six midwestern lumber associations, has purchased Lorimer and Associates, a consulting firm, in a move to provide more economical services to member dealers and other home centers.

According to a spokesman for the Illinois Lumber and Material Dealers Assn., the corporate structure was chosen for two reasons. First, the nonprofit nature of individual associations prohibits them from conducting a business for profit. Second, the consulting activities of Lorimer had ranged far beyond the boundaries of any one group so a cooperative enterprise was natural, he said.

In addition to Illinois Lumber, other shareholders of the new corporation are the Indiana Lumber and Builders Supply Assn., the Mid-America Lumbermen's Assn., the Ohio Lumbermen's Assn., and the Wisconsin Retail Lumbermen's Assn.

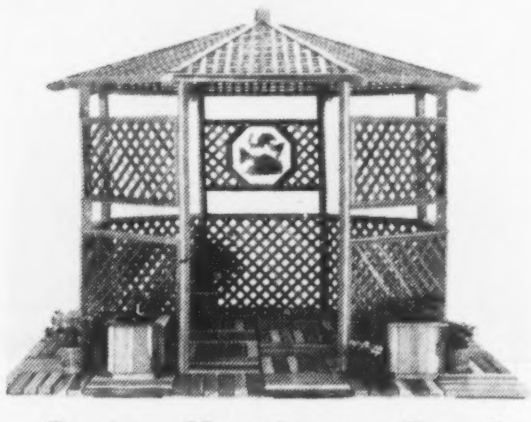
The new corporation will retain the previous consultation charge of $175 a day plus expenses. If detailed drawings are needed they are billed at $20 an hour. Home centers who are not members of any association belonging to the new corporation are charged roughly double the member rates.

Founded in 1975, Lorimer has consulted with close to 400 of the 4,500 lumberyard and home center members of the six associations.

Collins S. Lorimer, the 74-year-old founder of Lorimer and Associates, remains as principal consultant in the new corporation. A second consultant is now being sought.

NEW PRODUCTS

Patio design



Gerico, Huntington Beach, Calif., has announced a line of solid redwood products which add another dimension to patio planning. The line includes gazebos, modular decking, planters, service bars, storage benches and various other accessories. Pictured here is the victorian gazebo available in 11-ft. and 12-ft. sizes. Optional features include privacy panels of framed lattice and lattice with stained and leaded windows.

Buy the foot

Scandy Corp., Elgin, Ill., has introduced a reel dispenser display which holds bulk rolls of weather stripping. Customers strip off the exact amount they want. The display is shipped free with an assortment of six reels.

MORE NEW PRODUCTS
PAGE 56

Here's Your
Complete Merchandising
PACKAGE.

The Ameri-Vent all fuel chimney package is designed to help you sell chimneys for oil, gas or wood-burning appliances:

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- Complete promotion materials including new packaging, P.O.P. display and film; co-op advertising program.

Demand Ameri-Vent—the all-fuel chimney with the complete Merchandising Package.

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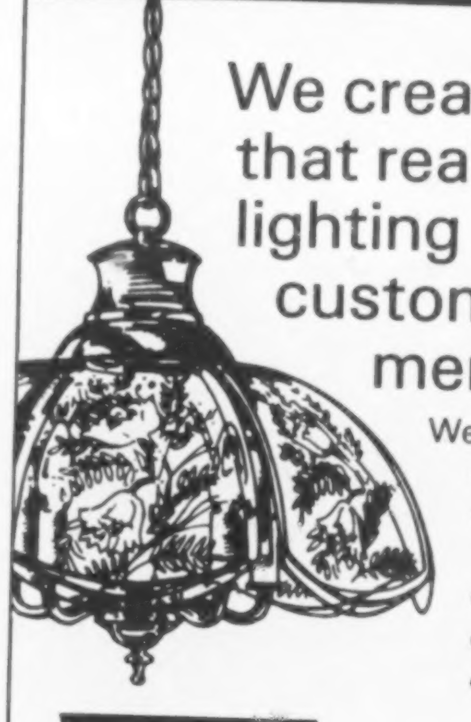

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FUTURES

Two weeks ended June 24, 1983

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
July	237.70	217.70	222.70	234.10	2,277	248.50	158.00
Sept.	236.50	221.40	226.70	234.00	3,310	240.40	163.80
Nov.	227.00	216.50	220.50	224.80	2,225	229.90	268.00
Jan. '84	230.90	225.50	225.90	228.80	499	234.00	179.00
March	234.50	227.20	228.00	232.70	252	240.50	206.50
May	234.50	228.00	229.20	232.60	78	245.50	221.00
July	239.70	231.00	235.00	236.60	31	252.50	224.60

Total Contract Vol. (Through 6/24): 32,101 — **Previous Two Weeks: 29,141**
Total Open Interest (As of 6/23): 8,672 — **Previous Week: 9,022**
Cash Price: $227.36 — **Previous Week: $223.24** — **Year Agc: $148.96**

PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
July	210.90	198.80	201.80	208.70	678	221.00	170.00
Sept.	210.80	202.80	205.50	208.80	810	223.90	185.00
Nov.	210.30	202.20	206.20	208.80	232	226.60	201.50
Jan. '84	212.00	203.50	208.50	209.00	71	223.00	201.20
March	213.50	206.20	210.50	210.50	32	225.00	206.20

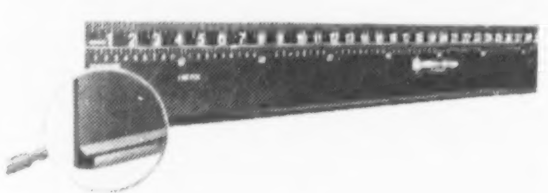
Total Contract Vol. (Through 6/24): 1,914 — **Previous Two Weeks: 2,784**
Total Open Interest (As of 6/23): 1,823 — **Previous Week: 2,011**
Cash Price: $206.78 — **Previous Week: $208.74** — **Year Ago: $164.64**

COMMODITY RESEARCH BUREAU INDEX:	This Week	Previous Week	Year Ago
	248.4	245.9	236.8

CME—Chicago Mercantile Exchange
CBT—Chicago Board of Trade
*Figures for Thursday, June 23.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

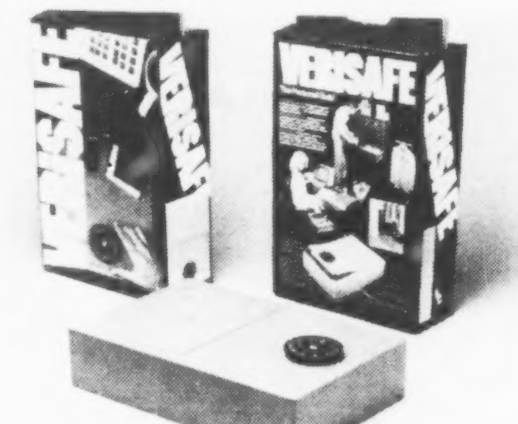
NEW PRODUCTS

Double action



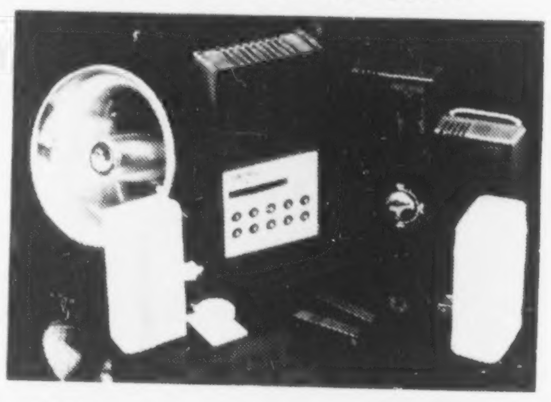
Miki Corp., West Caldwell, N.J. has introduced a cutting guide and ruler, a two-in-one idea featuring an elongated 3½-in. wide flat base plate, ruled markings with standard and metric readings along one edge and raised flange along the other edge. The raised edge serves as a linear guide for a cutting tool such as a utility knife, while providing a protective barrier to prevent slippage over the guide edge. Individually shrinkwrapped for display, the cutting guide is available in two lengths, 5-ft. and 1 meter.

Veri-safe



Tri-Bolt Industries, New York, N.Y., has announced the Veri-Safe, a personal safe small enough to be concealed in desks, bureaus, car trunks, closets, on shelves or floors. It features ⅛-in. seamless steel, and uses a unique tri-bolt locking system and internal alarm that can only be turned off from inside. The door hinge is recessed and spot welded so that the pin cannot be removed. With a 744-cu.-in. capacity, it measures 17½-in. x 11¾-in. It comes complete with required hardware and step-by-step instructions.

Protects home turf



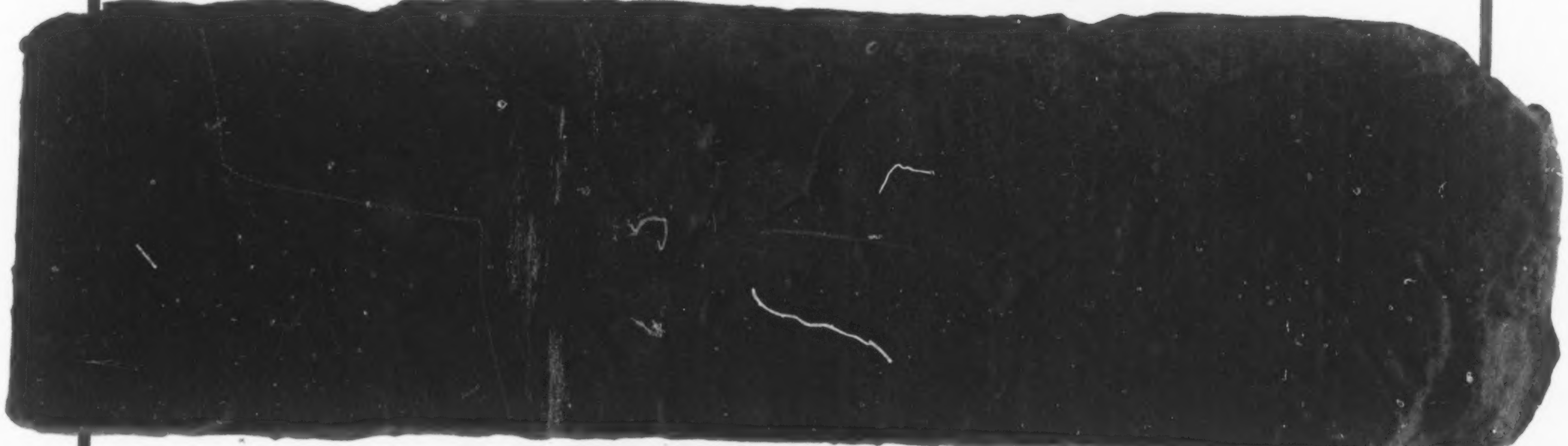
VSI Hardware, Sylmar, Calif., has introduced an addition to its Fortress electronic home security product line. The single station door and window alarm is micro-electronic, solid state wireless, and features easy installation for DIYers. Included in the line are a pushbutton door alarm, keyed door alarm, portable door alarm, patio door and window alarm and a power failure light. The products are simple to operate, wireless, reliable, easy to install, and approved by the National Burglar and Fire Alarm Assn.

The jig is up

Economy and performance are the selling points of the new single speed jig saw designed by **Milwaukee Electric Tool Corp., Brookfield, Wis.**, for contractors, builders, cabinet makers, metal and fiberglass tradesmen.

Model No. 6245 features a powerful 3,100 strokes per min., 1-in. blade stroke for faster cutting, and longer blade life. Double-insulated, the jig saw also has a paddle switch for right- or left-hand use, unobstructed line-of-sight, adjustable blade roller guide and an exclusive blade clamp.

One K-Lux Advantage is easy to see.



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Homeowners DIY Centers eye nearly $3 million installed sales

HOMEOWNERS
LUMBER
HARDWARE
GARDEN
20%
OFF

*Homeowners DIY Centers has launched an installed sales program. The 20%-off sign refers to an experimental pricing format being tried at its La Puente, Calif., store (*NHCN*, June 20).* NHCN photo

(Continued from page 4)

selection of merchandise. The catalog listings include power tools, bath fixtures, kitchen cabinets, sliding wardrobe doors, window screens, doors and windows, lawn mowers and trimmers, garden tools and equipment, fencing and gates and canvas/aluminum awnings.

While Homeowners currently stocks most of those items, the catalog gives customers a broader selection, explained Reese.

"Now we have a mechanism to give the customer access to an entire line of bathtubs, for example," he added.

The breadth of selection is underscored in Homeowners' circular's pledge that "if you don't see it, we can order it."

Return on investment of installed sales/custom orders is "extremely high," Smith said. Gross margin is similar to that generated by the regular sku mix, but, Smith said, "you don't have any inventory investment and you have very little space investment."

In developing the program, Homeowners eliminated a seasonal department area to obtain sales floor space for the Idea Centers.

"Our approach to seasonal goods is to buy high-demand traffic items and blow them out at very hot prices in the early to mid-season," Smith said. "We use the main aisles of the stores as the promotional area. This generates extra traffic for those products and make a seasonal department unnecessary."

One crucial element of the installed sales program is using a commissioned salesman, Smith maintained. "He or she understands the program and is motivated to make it work," he said.

The salesman sells in a professional environment with complete working displays, catalogs and comfortable surroundings where the customer can make the purchase decision. There are tables and chairs and the area is isolated from the rest of the sales floor.

Despite the trend among a number of home center chains to launch installed sales programs, some home center executives assert that promoting installed sales detracts from DIY sales (*NHCN*, Feb. 28). But Reese disagrees: "The basic premise is that not everybody is a DIYer," he said. "The objective is to provide professional installation in order to sell the product."

The biggest sellers in the department are skylights, turbines, storage buildings and patio enclosures. In all cases, customers know what the project will cost before the work begins. Usually the price is advertised in the circular, but with some projects, such as blown-in cellulose fiber insulation, a free in-home estimate is given in advance to determine the project's cost.

All installed work includes a one-year warranty on labor. Warranties on the products themselves vary, but typically run five years or longer.

The incentive for Homeowners' outside contractors who do the work is that they aren't paid until the installation is finished.

The contractors are required to correct workmanship defects, and Reese says problems in this area "have been minimal."

Smith says that Homeowners has made "the commitment to installed sales and custom orders with floor space, displays, commissioned sales people—everything that is necessary to support a program of large-ticket installed sales."

Reese says despite the DIY orientation of the home improvement business, at least 50% of customers who buy DIY products never intend to install the items themselves, and "these are the customers who probably would go elsewhere if we couldn't entice them with our offer of professional installation." Another 25% of customers are hard-core DIYers who will tackle even the most sophisticated projects, and the remainder "can go either way—they can be sold on professional installation," Reese said.

According to Smith, the installed sales/customer orders program "will end up 1983 having one of the highest growths, both in sales and income, of any of our departments."

Stanley Works files suit

(Continued from page 4)

product he has seen had parts that were similar to those on other rule products that bore a "Made in Taiwan" stamp.

Mcfarland said Stanley's attorneys were also contemplating filing for a temporary restraining order by July 11 against the allegedly offending product's distribution and sale, although at presstime this was still in the planning stage.

Stanley's complaint alleges infringement of the company's Federal and common law trademark rights including U.S. Trademark No. 1,217,630 for the design of its Powerlock rules.

In a prepared statement, Stanley Tools president and general manager Robert G. Widham stated that Stanley intends to protect its rights through legal action against the sale of infringing rules and will demand profits on all infringing items sold as well as damages and legal fees.

Home sales at a two-year high

(Continued from page 2)

13%. Increasing rates concern both builders and realtors.

According to the NAHB, at a mortgage interest rate of 13% only 15% of Americans could qualify for a mortgage of about $54,000, if housing expenses are considered 25% of income. Each one point drop in interest rates would allow an additional million households to qualify. Using 33% of income as a qualifying standard, 29% of American households could initially qualify and a one point rate drop would add two million more.

Realtors expect to see the impact of rising interest rates reflected in June's resale numbers. So far, according to the National Assn. of Realtors, the strengthening resale market has not substantially raised home prices. In May the median price was $69,300 and overall the median resale home price rose only 2.2% in the past year, according to the NAR.

New home prices have risen more sharply though. The median price of a new home during the first quarter of 1983 was $73,900 compared to $71,600 for the last quarter of 1982, according to the NAHB. The rising costs of lumber and other commodities could greatly affect new home prices.

Stud prices, for example, rose dramatically from $170 per thousand bd. ft. last October to $257 per thousand bd. ft. in May.

The NAHB has revised its forecast of housing starts for 1983 to 1.56 million. Smith Barney analyst Barbara Alexander is predicting 1.6 million.

Scotty's to open subdistribution center in So. Fla.

DEERFIELD BEACH, Fla.—Scotty's will be operating a 250,000-sq.-ft. subdistribution center here, probably within the next year, to serve its southern Florida stores, officials announced.

The 101-unit chain has contracted for 30 acres of land in the area for the distribution facility which will eventually serve 75 Scotty's stores, including the 20 stores in the next five years the company plans for Broward, Dade and Palm Beach.

Initially, the distribution center will handle basically bulk items and some re-distribution from the main Winter Haven, Fla., warehouse, said Harold W. Taylor, senior vice president and chief financial officer.

Eventually, however, the facility, which is expandable to 450,000 sq. ft., will develop into a "full-blown distribution operation," similar to Winter Haven, Taylor added, and service stores northward to Stuart, Fla.

He envisions some cost savings in the form of lower delivery expenses to southern Florida stores when the Deerfield Beach facility is operational.

Survey reprints available

NEW YORK—A complete 220-page bound report with the detailed findings of *National Home Center News'* 1983 consumer survey on the home improvement market featured in this issue is now available.

The nationwide study, conducted expressly for *National Home Center News,* by Leo J. Shapiro and Associates, Chicago, includes an executive summary and analysis, along with 128 tables detailing and summarizing:

- **The consumer, and the home improvement customer;**
- **Satisfaction with today's homes;**
- **Home improvement projects over $100—including what projects households did and plan, who does the work, who decides where to buy the materials, where materials are bought, and how much households spend;**
- **Where consumers shop for 10 categories of home improvement products—including how far they travel, why they shop where they do, and how much they spend, and**
- **The consumer mood, nationally, and on making major expenditures over the next 12 months.**

The report costs $250 including handling and mailing.

For information on obtaining a copy of the complete report, please write to: Editor, *National Home Center News,* 425 Park Ave., New York, N.Y. 10022.

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Evans spins off retail group to pay off debt

(Continued from page 1)

May 9). The Miami financier's Sharon Steel Corp. owns 43.2% of Evans common stock. Posner's imprint became immediately apparent when eight of his hand-picked representatives were elected to Evans' 16-member board of directors in June.

Number of shares to be offered, their price and other details of the impending stock sale were unavailable at presstime pending release of preliminary prospectuses.

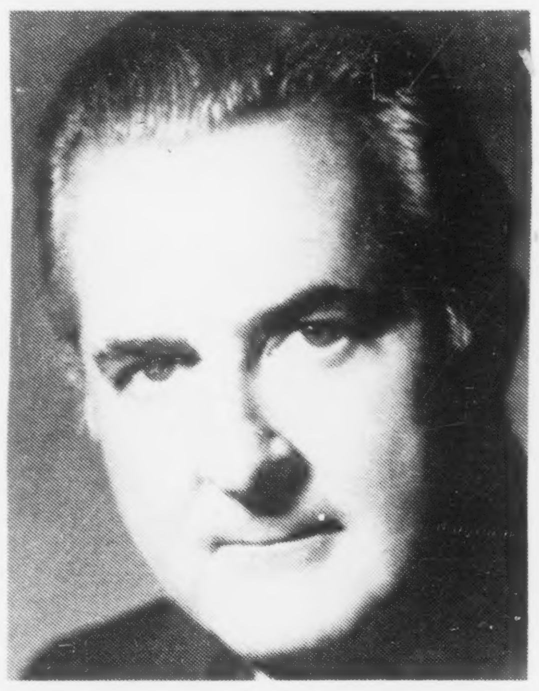
Maurice "Mike" Grossman, Evans' executive vp and president of Evans' Braintree, Mass.-based retail group, said through a spokesman that he could not comment pending Evans' filing of the S.E.C. registration statement.

However, Gerald Parsons, Evans' corporate relations vp, told *NHCN:* "I have no reason to believe there will be any major changes in the management of the [new] organization." The offering is expected to begin by late summer, he added.

Evans' retail group employs about 6,500 persons and ranks second in consumer sales behind W. R. Grace in the home center industry. It operates under the trade names of Grossman's in the Northeast, the Midwest and California; Moore's in Middle Atlantic and mid-Southern states; Lindsley in Florida; Alamo Enterprises in Texas, and Hubbard & Johnson, also in California.

"Evans' retail group is the crown jewel of its tiara," said one retail analyst. Evans lost $65 million last year due to its depressed railcars and truck trailers manufacturing and leasing businesses. But its retail group turned in an operating profit of $56.3 million on sales of $790.3 million.

The retail group continued to shine in the first quarter, posting $1.53 million in operating profits on $155.3 million revenues. By contrast, companywide results showed a net first quarter loss of $15.3 million.



Victor Posner
Evans chairman

"They're trying to take the one gem that they've got and turn it into cash," said financial analyst Orville "Reb" Forte of Montgomery Securities, San Francisco. "They're doing it [the spin off] to solve problems they have in other areas."

Specifically, Evans is burdened with $363.7 million in long-term debt and $106.7 million in short-term debt (payable within a year). Pending release of the prospectus, company officials declined to disclose how much cash they expect to raise in the stock offering. One analyst said that Monford A. Orloff, Evans' president and ceo, has said publicly that the retail group "is worth three times the book value."

Meantime, some industry observers expressed surprise at the timing of the spin-off decision. It was made a few days after Evans' annual shareholders' meeting June 8. Until the announcement, Posner's intention—as quoted in several press reports—was to expand the retail group. One company official told *NHCN:* "He changed his mind."

"A major motivation is Posner's desire to raise the value of Evans' shares," said an analyst. Shares were trading at $14 in mid-June, but Posner reportedly made his major investment when the stock was selling in the $22 to $24 range. "He's really taking a bath," the analyst commented.

While 69-year-old Orloff has several years remaining on his employment contract, the executive—replaced as chairman by Posner in April—is rumored to have an "heir apparent." In June, Evans directors named 51-year-old Walter Sieckman to the post of senior vp to "assume general managerial responsibilities," an announcement said. Sieckman has close ties to Posner and is a group vp of Sharon Steel Corp.

Hardware Show in showdown

(Continued from page 1)

have been explored, but as of the beginning of this month, Hardware Show organizers remained skeptical.

"Frankly, if it goes very badly and we have a poor experience we'll have to eliminate Chicago as a future site of the Hardware Show," said William P. Farrell, executive director of the American Hardware Manufacturers Assn., which sponsors the event.

Chicago Fest is being held Aug. 12-21. Activities will start each day about noon and run until late evening. The Hardware Show will be going on simultaneously Aug. 14-18.

To an extent, the turbulence surrounding the scheduling overlap is a shock wave from a more ferocious upheaval, the Windy City's recent mayoral election.

Chicago Fest has been held for five years, always at Navy Pier, several miles from McCormick Place, and usually ending about a week before the Hardware Show. It was apparently popular and also heavily identified with the administration of former Mayor Jane Byrne.

Harold Washington, Chicago's current mayor, decided not to have the city sponsor the festival this year, reportedly because the event was a money loser. Consequently Chicago Fest's producer, Festivals Incorp., arranged for an independent agency, the Chicago Park District, to sponsor the show. Navy Pier required extensive repair and therefore Soldier Field was selected, according to Festivals Incorp. marketing director Joe Pecor.

"We think there will be traffic problems at the Hardware Show and at our event during rush hour," he said. "We tried to put our main event after rush hour. The main shows start at 7:30 p.m. and we're considering starting them at 8 p.m."

The main events include country singer Charlie Daniels, Aug. 12; The Beach Boys, Aug. 13 and the band Chicago, Aug. 14. Pecor said that negotiations were being completed for similar caliber acts during Hardware Show evenings.

He feels that this kind of entertainment plus other rock, jazz, country, pop and blues music performances, along with food from top Chicago restaurants make Chicago Fest an attraction for hardware industry people, especially since gate admission is an affordable $8.

But it is the very popularity of such entertainment, which Pecor expects to draw up to 750,000 people over 10 days, that concerns Hardware Show organizers, who feel that swelling tides of traffic will unbearably clog roads and complicate parking.

Farrell said the hardware group proposed a three-day moratorium on Chicago Fest during the Hardware Show, with the time made up either at the beginning or end of the festival. Pecor rejected that approach as unacceptable because stadium rent and other overhead would still be incurred on the days off.

Meanwhile, the Chicago police are developing contingency plans based on the assumption that the two events will overlap. Coordinator Dominick Frigo, of the police special events section, does not anticipate major problems.

He said that Chicago Fest people usually arrive before 3 p.m. and therefore would not complicate the late-afternoon exodus from McCormick Place, which should face only the normal commuter congestion that usually plagues trips back from the show to hotels.

"Chicago Fest will not make a big impact on the show," Frigo said. "We will try to eliminate any problems even more by directing shuttle buses in different routes away from Soldier Field. It's probably something we should have done years ago anyway."

Buses bound for hotels south of the Chicago River will be kept off of Lakeside Drive to make more room on that highway for shuttles headed to the north end of the city.

"There's never been any large event in Chicago that we've been stymied by," he said.

But there has rarely, if ever, been two events of this magnitude held simultaneously in such close proximity. Frigo estimated the distance between McCormick Place and Soldier Field as two-tenths of a mile.

A lot of money is riding on both events. According to Ben Bently, director of public affairs for Chicago Park District, that agency could net $1 million.

It receives a $200,000 guarantee or 25% of the gross, whichever is greater, plus $1 from each car parked. Festivals Incorp. receives a set fee for staging the event, which costs about $5 million to put on, according to Pecor, who said that last year it netted $480,000 and over $1 million in 1981.

The mayor apparently disputes the profitability of Chicago Fest, but a call to his office was not returned.

"Our show pumps about $35 million into the economy of Chicago each August," said the hardware association's Farrell. "The mayor and governor should damn well be concerned.

"We have nothing against Chicago Fest," he said. "It's a fine event for the people of Chicago. But they should have the presence of mind not to put it in competition with Chicago's biggest trade show of the year."

1st quarter spending for TV ads

Chain	Expenditures 1st qtr. 1983	 1st qtr. 1982	% change
1. Payless/Furrows*	$789,000	$191,000	+ 312
Lumberjack	106,600	85,800	+ 24
2. Builders Emporium	502,200	515,300	− 3
3. National Lumber	333,600	274,000	+ 22
4. Home Depot	304,700	163,300	+ 87
5. Scotty's	300,900	18,400	+1,535
6. Plywood Minnesota	268,400	331,800	− 19
7. Pay 'N Pak	191,000	200,000	− 4
8. Sutherland Lumber	188,300	49,600	+ 280
9. Hechinger	148,700	147,500	+ 1
10. Mr. Goodbuys	142,500	62,300	+ 129
11. Menard's Cashway	121,400	103,300	+ 18
12. Knox Lumber	105,300	—	New
13. Handy Dan	77,300	12,500	+ 518
14. Lindsley	75,600	74,600	+ 1
15. Ole's Home Centers	74,700	134,600	− 45

*Does not include Lumberjack, acquired by Payless in January 1983

Source: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data; *NHCN* chart

A survey of first-quarter TV advertising among home centers shows considerably higher spending in a period traditionally characterized by light activity.

Payless heads TV ad list

(Continued from page 1)

as a traditionally light advertising quarter. Moreover, some of the largest increases were posted by companies operating in the nation's Sunbelt.

Payless Cashways held the No. 1 spot after a 312% increase in spending, up from $191,700 for 1982. In addition, Payless' Lumberjack chain, in California, spent $106,600 in the first quarter, compared to $85,800 the year before. The 110-unit Kansas City, Mo., chain, which spent a total of $1.3 million on TV advertising last year, was ranked fourth in the year-end tally behind Builders Emporium, Sutherland Lumber and National Lumber.

Builders Emporium ranked second.

Grebe said data released by TVB stems from a first-quarter Broadcast Advertisers Report on advertising in the nation's top 75 television markets.

Hines aims for DIY sales in Chicago market

(Continued from page 3)

out a move elsewhere, he termed such a likelihood as having "not a high probability."

"Our short-term goal is to increase our do-it-yourself, market penetration and position here," he said. "Our distribution, advertising and staff is here. Right now, it's more appropriate to concentrate on Chicago."

In order to reach the goal, Hines said the company will look into opportunities of remodeling, even to the extent of rebuilding existing units if necessary as it did at 63rd Street.

Nearer at hand should be improvements in the way Hines' store personnel services customers. The company president said the chain will embark later this year on weekly and bimonthly training programs, both at the divisional and store levels and presented by vendors and company staff.

"One of the most serious and difficult problems in the industry is properly administered training programs," he said. "We have tried to cope with it with both structured and unstructured programs in the past, but we didn't have the answers."

Hines is continuing to study its overall situation. Recently, a consumer study reinforced the company's feeling that the Hines' name is widely recognized, especially for wood products, and has a solid reputation in the market.

Additional studies have been undertaken concerning store configuration and merchandising, according to Hines.

He sees the availability of management time and capital, $30 million of which came from the sale of manufacturing facilities in Oregon and timber holdings in the South in the second quarter, to perform such studies as a major asset.

Sears retail, real estate in joint promo

(Continued from page 3)

home improvement items, so we are making these more affordable through our stores."

The program is also another example of Sears' corporate goal to combine its merchandising, real estate, insurance and financial services operations into a working whole, with the retail store as the central locus. In some areas of the country, a person can buy a home from Coldwell Banker, homeowner and other insurance from Allstate, and make investments through Dean Witter and Sears Financial Network Centers, all of which have offices in a Sears retail unit.

Fairweather readily admits, though, that the discount coupon program was designed more for the benefit of the Real Estate Group, which had 1982 sales of $533 million, than the $18.7 billion Merchandising Group.

"It's a synergy of two of the company's divisions with entirely different bottom line responsibilities," he said. "The Merchandising Group is involved in the program because it sees a potential for increased sales, but the coupon redemption will, in all likelihood, account for a very small percentage of its volume."

7/29/83 C5150-6A

Photo merchandising feature: PLUMBING & BATH—pp. 13-29

National Home Center News

Vol. 9, No. 16 The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. August 1, 1983

DIY retailers set sizzling summer sales pace

NHCN **staff roundup**

NATIONAL REPORT—The home center industry is in the midst of what is shaping up to be a banner year, with several chains enjoying the highest summer sales in their histories.

Second quarter and first half sales were at least 20% ahead of last year for more than 20 leading home center companies contacted in a *National Home Center News* survey. This robust growth outpaced total United States retail sales which, for the month of June, hit a seasonally adjusted annualized $99.1 billion, 11.9% ahead of June 1982, according to the Commerce Dept.

Home center operators report that consumers again appear to be spending their discretionary income more freely, even without coaxing from weekly or biweekly promotions. And, based on their sales of big-ticket products such as commodities, kitchens and baths, the retailers are also finding that their customers are showing an even greater tendency toward DIY project purchases.

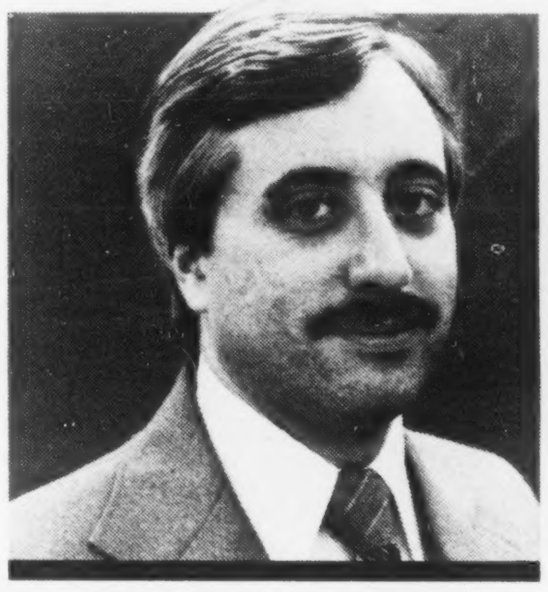
A number of larger home centers had remarkable sales gains in the second quarter, with some reaching milestones for their companies:

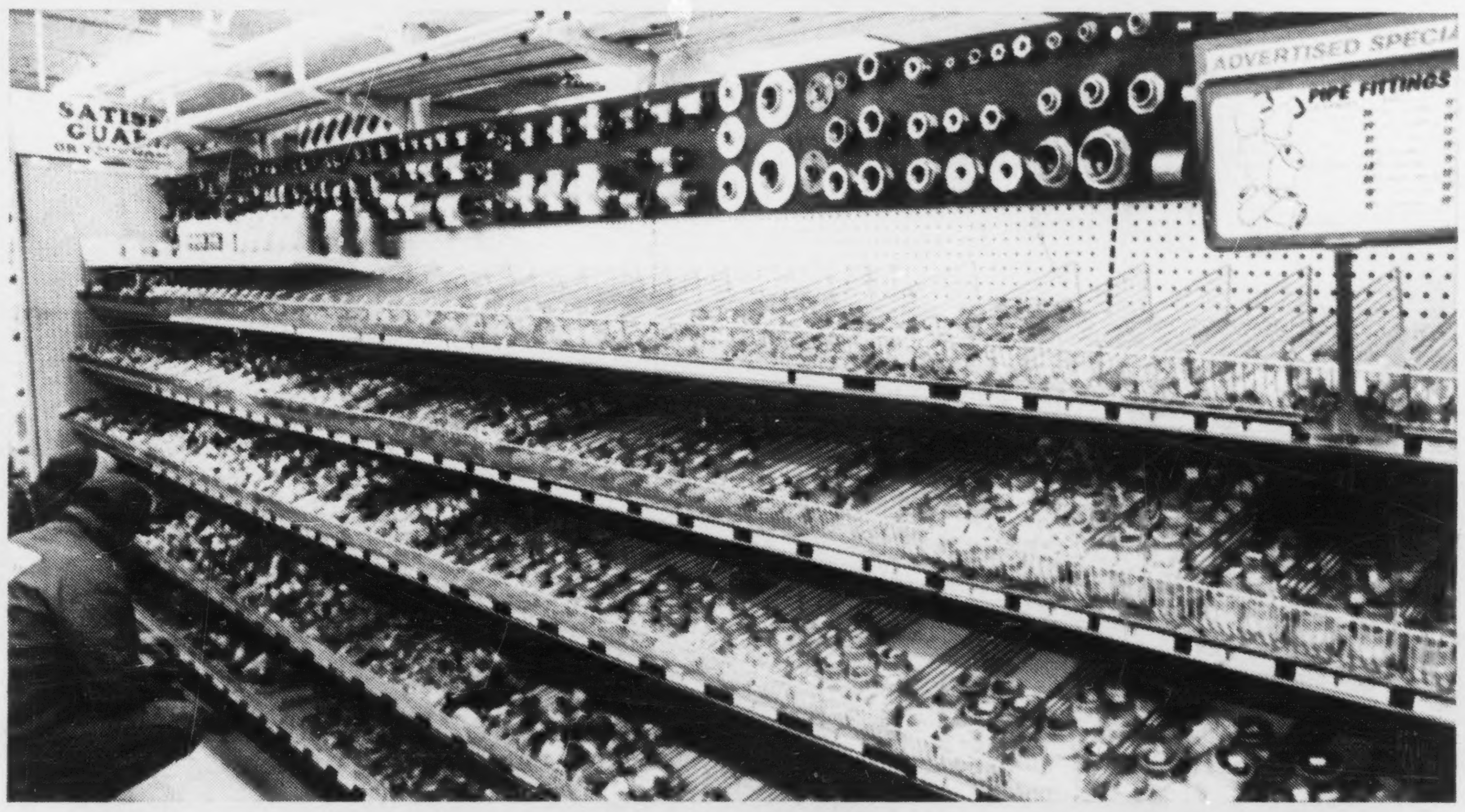
- Payless Cashways saw 52 of its 117 stores each generate $1 million in sales in June, and the Kansas City, Mo., chain had its first $100 million month. Its revenue for the second quarter rose 43% to $228.6 million, and 44% to $361.7 million in the first half of the year, compared to 1982 periods. Net income for the same period skyrocketed to $13.5 million, a 68% increase;
- Lowe's Cos. had the most successful June in its 21-year history, with sales rising 52% above a year ago to $127.4 million. During the month, Lowe's contractor business was 69% ahead of last year's. From the period of February to June, sales were $550.1 million, a 43% increase, prompting senior merchandising vp Robert Swanson to project the chain would hit $1.4 billion in total volume in 1983, a 40% gain;
- National Lumber, Santa Ana, Calif., with 12 stores, had its "first million-dollar weekend without a holiday" in the second quarter, and four of its stores did over $1 million in one month, said president Mel Jaffee. For the quarter, he said the chain was running slightly more than 20% ahead of last year;
- Phoenix-based O'Malley Lumber, which is in the process of renovating all its stores, registered a 61% sales increase in the second quarter compared to last year. According to retail sales manager Paul Conley,

(Continued on page 94)

> *'People are buying now not just because products are on sale.'*
> —**Don Senne,**
> *general merchandise mgr., Stambaugh-Thompson, Youngstown, Ohio*

> *'Consumers are simply spending more money each time they shop our stores.'*
> —**Robert Swanson,**
> *sr. merchandising vp, Lowe's Cos., No. Wilkesboro, N.C.*





HOME CENTERS TAPPING GROWING PLUMBING MARKET

Taking a cue, perhaps, from House Works' Harvey, La., unit, where a vast assortment of galvanized plumbing fittings is displayed in four decks of 48-ft.-long bins, dealers around the country are expanding their plumbing departments to accommodate a fuller selection of merchandise. A plumbing and bath report, and photo feature, begins on page 13.

Home center execs expect even stronger second half as hardware show nears

CHICAGO—An estimated 75,000 people are expected to pour through 2,800 exhibit booths later this month at the 38th National Hardware Show, scheduled to open Sunday, Aug. 14, and run through Aug. 19.

Home center retailers, buoyed by substantial sales increases in their stores through the first half of 1983, said they would be going to this year's National Hardware Show with the intention of finding products to beef up their inventory levels.

Paradoxically, while these same retailers almost unanimously projected even stronger third and fourth quarter sales, almost none of them said the economy would play an important factor in what products they might take on over the course of the year. Most dealers, in fact, said their attendance at the show would be "business as usual."

For the most part, home centers will be sending the same number of executives to Chicago as they did in 1982, when approximately 70,000 people attended the event to see 2,700 exhibit booths. This year's show, the 38th, will cover 660,000 sq. ft. of combined floor space at McCormick Place and McCormick Place West.

Increased attendance predictions were based on the repositioning of McCormick Place

(Continued on page 93)

NEWSBREAKS

BUILDERS EMPORIUM TO EXPAND. Builders Emporium, a subsidiary of Wickes Cos., finalized plans to add 75,000 sq. ft. to its existing 100,000-sq.-ft. distribution center. Chain president Tony Swies said the purpose is "to take care of increasing sales," which were up between 18% and 25% for the first half of the year.

INSIDE:

ESSEN HARDWARE AND LUMBER'S purchase of Village Ace gives the nine-store chain a higher profile in St. Louis . . . Page 2
JOSEPH LUMBER is bowling over customers with its new DIY-oriented prototype in a Chicago suburb . . . . Page 3
TWO NEW FINANCING programs help Budget Power sell consumers on large home remodeling projects . . . . Page 3
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SEQUOIA SUPPLY, will be expanded by its parent, Wickes Cos., by at least two warehouses a year . . . . Page 4
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LOWE'S EXECS Robert Strickland and Leonard Herring will be honored at the industry's annual City of Hope dinner Page 6
CLINICS, NEW PRODUCTS and better displays are helping home centers re-energize energy product sales . . . . . Page 32

Key posts eliminated

Grace dissolves home centers' div. status

By Wyatt Kash
NHCN editor

NEW YORK—W. R. Grace's home center division has been absorbed directly into the conglomerate's specialty retailing group, in the wake of Frank Denny's resignation in March as president of the home center division.

The consolidation effectively eliminates the administrative and financial functions of the home center group at the division level, and with them, the question of who would succeed Denny.

Under the new arrangement, the presidents of Grace's home center chains will now report directly to Edward H. Tutun, executive vice president and group executive of Grace's specialty retailing group.

Grace's 273 home centers last year contributed $875 million, or 66% of the group's $1.33 billion in revenues in 1982. The group, which earned $23.4 million, also operated 95 Herman's sporting goods outlets, 78 Berman's leather apparel outlets, 74 J. B. Robinson jewelry stores, and 10 Sheplers western wear outlets.

The consolidation resulted in several major executive changes affecting the home center group:

- Thomas Thorton Jr., who functioned as chief financial officer for the home center division, was named executive vice president, and chief operating officer of Grace's Orchard Supply chain. The 17-unit San Jose, Calif., operation is still headed by president, Loren Smith.
- John Milliken, the division's vice president of operations since last summer, has resigned from W. R. Grace, reportedly to pursue personal and family business interests.
- Don Campbell, according to one Grace source, will continue to coordinate national account purchasing for Grace's home center chains, but will now re-

(Continued on page 94)

NHCNews Briefs

Industry Update

Chicago Fest agrees to step aside to avoid Hardware Show conflict

CHICAGO—Promoters of Chicago Fest have agreed to reschedule part of their 10-day, Soldier Field celebration to avoid conflicting with the National Hardware Show at nearby McCormick Place, Aug. 14-18.

The decision early last month followed a threat by the American Hardware Manufacturers Assn. to withdraw future shows from Chicago (*NHCN*, July 18) if the festival did not shut down during the busiest Hardware Show days, Aug. 15-17. The AHMA charged that simultaneous events would result in a traffic and parking nightmare.

Several compromises were discussed and rejected as the hardware group launched an extensive lobbying effort, publicizing its ultimatum among Chicago's business community which gains an estimated $35 million from spending by Hardware Show goers.

William Farrell, AHMA executive director, said the three-day festival moratorium would avert major traffic problems. "I'm delighted we're going to have a show free of that," he said.

"We thought Farrell put us in a situation where if the Hardware Show ever left we'd be blamed," said Joe Pecor, marketing director for Festivals Incorp., the Chicago Fest producer.

"The Hardware Show did a fantastic lobbying job, putting us in a situation where we could become scapegoats," he said.

The festival has become a yearly summer event in Chicago, offering the city's population a variety of continuous musical entertainment and refreshments usually at Navy Pier. This year, for the first time, the dates and new location conflicted with the Hardware Show.

Originally scheduled for Aug. 12-21, the festival will now run from Aug. 10-14, break for three days and resume for Aug. 18-22.

2 new Home-Pro units slated

SAN ANTONIO—Home Centers of America will open two more Home-Pro outlets on Labor Day.

The expansion will give the new, warehouse-type chain a third San Antonio location and a single store in Corpus Christi for a total of four units.

The company, which was founded by several former W. R. Grace executives led by Frank Denny, opened its second San Antonio store on the Fourth of July. Denny said that sales for that weekend probably totaled about $600,000.

The company also announced results for the period ended May 29, which actually included only two days with operating stores, part of the Memorial Day weekend when the first Home-Pro was launched.

The company had sales of $354,000 with expenses of $647,000, including cost of goods, administrative expenses and preopening expenses, resulting in a net loss of $285,000.

Stambaugh casts detached unit

YOUNGSTOWN, Ohio—Ground breaking for Stambaugh-Thompson's new, 45,000-sq.-ft. prototype was expected to take place last month in nearby Warren, Ohio.

The prototype will be the first freestanding unit for the chain whose current 20 stores average about 27,000 sq. ft. According to general merchandise manager Don Senne, the larger store will basically carry a greater assortment of Stambaugh's present merchandise.

Gondolas will be 6 ft. high and the floor plan will incorporate a loop design. The debut of the new prototype, expected in late fall, follows the opening of three typical units during the past year, all part of a strategic effort by Stambaugh to be ready for the recovery, after several years without expansion during the recession (*NHCN*, April 11).

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Vol. 9, No. 16 August 1, 1983

Essen buys 5-unit Village Ace; doubles retail space in St. Louis

By Phillip M. Perry
NHCN associate editor

ST. LOUIS—Essen Hardware and Lumber Stores is angling for a dominant position in this competitive market with its purchase of the five-unit Village Ace Hardware Stores, which will be converted into full-line home centers.

The acquisition, consummated last quarter, gives Essen nine stores here compared with 10 Central Hardware outlets, an equal number of Hill-Behan stores and five B&B Home Supply Centers.

Essen more than doubled its total retail space with the purchase; it is now 187,000 sq. ft. The new stores are 16,500 sq. ft. to 27,800 sq. ft., roughly the same range as the original Essen units.

Volume also more than doubled to an estimated $12 million-$15 million and inventory was increased to $2.3 million from $1 million. The acquisition was Essen's biggest expansion since its inception in 1925.

"For several years we had been looking for a larger share of the market," said Max Hagerman, vice president of operations. "In five years we plan to have 15 stores."

A group of local investors purchased Essen four years ago. They waited for major expansion until the economy became more favorable, and attractive lease opportunities became available. Purchase of the five Village Ace units for an undisclosed sum was financed by a bank loan.

Village Ace had been a family business owned by Robert and Marilyn Perkins of St. Louis.

(Continued on page 93)

Attending the signing of Essen Hardware and Lumber's purchase of the five former Village Ace Hardware units in St. Louis were (seated): Wes Schnetgmeier, left, chief fund officer, and Max Hagerman, operations vp; standing: Dale Shell, left, director of stores and advertising, and Don Wennemann, merchandise manager.

Arizona showdown looms

Depot marching on Phoenix

PHOENIX—Atlanta-headquartered Home Depot has set its sights on Arizona as its newest market and is close to signing agreements to take over two former Woolco locations and a Price Club site in the Greater Phoenix Metropolitan Area.

While Home Depot officials declined to discuss their plans to establish three warehouse-style home improvement stores in Arizona, the move conforms to the 14-unit chain's strategy to target expansion in Sunbelt areas.

Home Depot is expected to open its new stores in Arizona by the end of the year after making necessary improvements in the takeover buildings, *NHCN* has learned from local retail and real estate sources. The stores are two freestanding ex-Woolco parcels—one in Phoenix and the other in nearby Mesa, Ariz.—and an existing 96,000-sq.-ft. Price Club in northeast Phoenix.

The Price Club, which has three cash-and-carry warehouses in Arizona, is relocating its Phoenix store to an ex-Woolco in a 26.5-acre shopping center. The company's president, Robert Price declined to confirm that negotiations with Home Depot are under way: "I'm not going to say yes or no because it hasn't happened yet." However, he said the Price Club relocation will be made in September and the new warehouse will open Oct. 10.

Home Depot's expected entry into the Phoenix market will see the Home Depot-style low-margin, high-volume concept compete with such well-entrenched forces as O'Malley's Building Materials Centers, W. R. Grace's Angels Home Centers and San Diego-based Handyman stores. Several strong independents also garner significant market shares.

Home upkeep spending dips in 1st qtr.

WASHINGTON—Property owners in the first quarter of this year spent about $4 billion less to maintain and improve their residential holdings, than they did in the fourth quarter of 1982.

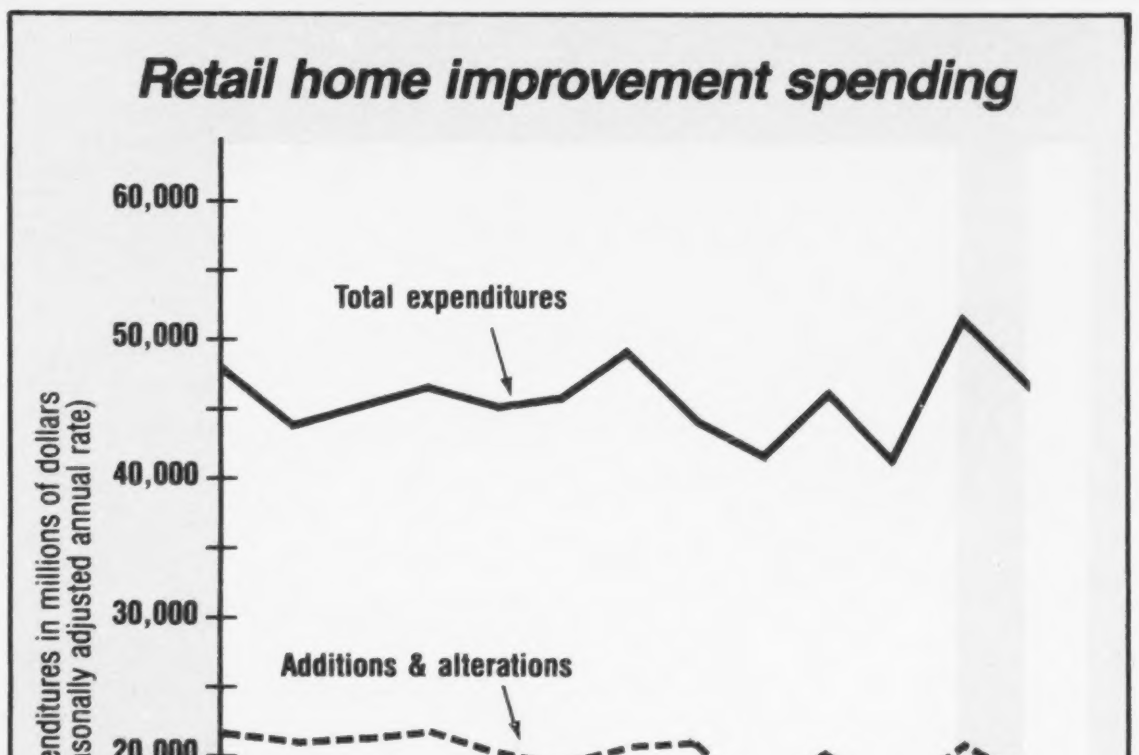
Meanwhile, the same statistics, released by the U.S. Department of Commerce, showed that the first-quarter's seasonally adjusted annual rate of $46.2 billion was 8% higher than that of the same period last year.

According to the figures, expenditures for residential upkeep and maintenance declined from a revised, fourth-quarter high of $50.2 billion. The decline followed on the heels of a 22% spending increase that had brought expenditures up from a 1982 third-quarter low of $41.3 billion.

Revised spending estimates for the first quarter of 1982 reflected an adjusted annual rate of $42.6 billion, about $3.6 billion less than the estimate for this year's first quarter.

Actual first-quarter spending was $8.9 billion, 62% or $5.5 billion of which was spent by resident property owners with one- to four-unit properties. The remaining $3.4 billion was

(Continued on page 93)



Source: U.S. Commerce Dept.; *NHCN* chart

Despite strong gains in retail home improvement spending in the first half of 1983, U.S. Commerce Dept. statistics showed that first-quarter expenditures for residential maintenance and improvement were down 8% over last year's fourth quarter. However, the figures also showed a $3.6 billion increase over the seasonally adjusted annual spending rate recorded in the first quarter of 1982. Spending for maintenance and repairs rose 3% over last year's fourth quarter, climbing from $17.8 billion to $18.3 billion.

FINANCIAL NEWS

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Lowe's	6/24-4 wks.	$127,400	$ 83,700	52	—	—	—
Payless Cashways	5/28-2nd qtr.	228,553	159,544	43	10,400	6,706	55
	7/2-5 wks.	104,045	68,172	53	—	—	—

*$ in thousands

STOCK PRICES

	As of 7/11	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)	38⅝	47⅜	21¾	97
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	18	19	4⅞	—
Forest City (AMEX)	25¼	28⅜	11½	16
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	49	50⅜	28½	11
Lowe's (NYSE)	27¾	32¾	8⅝	31
Pay 'N Pak (NYSE)	22	24	18¾	16
Payless Cashways (NYSE) [Furrow]	31	34½	10⅝	34
Scotty's (NYSE)	17¾	21⅛	10	18
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	15	16⅜	7¼	—

Nasdaq national—over-the-counter stocks

	As of 7/11	52-week High	52-week Low	P/E Ratio
The Home Depot	28¼	53¼	25⅛	—
Pay 'n Save	27	51	16½	—

Over-the-counter stocks

	As of 7/11 Bid	As of 7/11 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	19	20	23	8½
Hechinger	27¾	28	38½	14⅞
Home Center of America [units]	31½	33¼	38	13¼
Home Centers Of America	10¼	11	12½	5
Home Centers of America [warrants]	6	6½	—	—
Hines Lumber	28	29¾	29	13
Scotts Seaboard [Scott's]	4½	5¾	4½	⅝
Wolohan Lumber	9⅛	9⅜	10⅛	3½

Payless Cashways crashes the $100 million sales month barrier

KANSAS CITY, Mo.—Payless Cashways, aided by 52 of its 117 stores doing better than $1 million in volume in June, recorded its first $100 million sales month during the five week period ended July 2, officials reported.

The company had sales of $104,045,000 in June, up 53% from a year ago when only 12 stores cracked the $1 million sales barrier for the month. In stores opened and operated by Payless for at least a year, the chain scored a 23% sales gain, according to officials.

The impressive results came on the heels of a strong second quarter, ended May 28, when Payless posted a 55% increase in net income to $10.4 million on a 43% sales gain to $228.6 million compared to the same quarter in 1982.

Comparable-store sales in the quarter jumped 17% on increases of 19% in March, 13% in April and 20% in May, president and ceo David Stanley explained.

He said the company attributed the growth to continued strong marketing and merchandising programs and an improved gross margin from 29.2% a year ago to 31.2% this year because of "a shift in the mix of products sold during the quarter in favor of higher margin items, not to an increase in prices."

Selling, administrative and general expenses jumped 58%, however, essentially because of the transfer of interest to rent as a result of a 12-store sales lease-back arrangement completed last September.

Both advertising and personnel expenses also rose, he added.

During the quarter, the company added two stores in Columbus, Ohio, and an outlet in Webster, Tex.

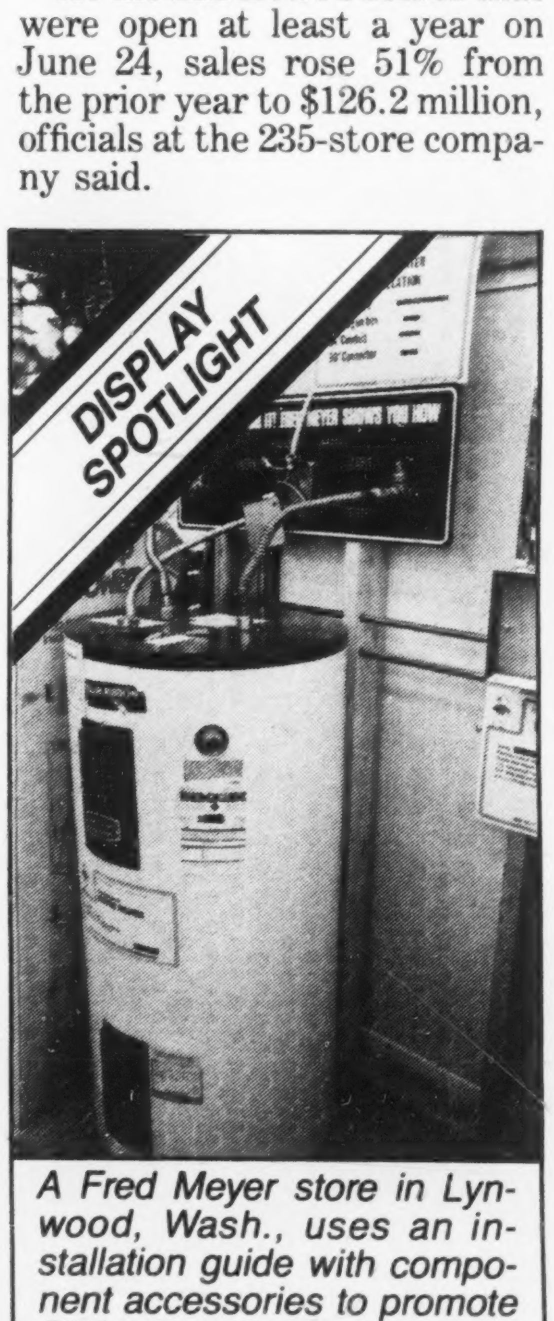
Other highlights of the period included the approval by shareholders of an increase in the company's authorized common stock from 20 million to 40 million shares and a 2-for-1 stock split, in the form of a 100% stock dividend, that was paid May 25.

Lowe's volume increases 52% for June record

NORTH WILKESBORO, N.C.—Lowe's posted its highest June sales total ever and also set a record for sales in a four-week period during the month, company officials disclosed.

In the four weeks ended June 24, Lowe's volume reached $127.4 million, 52% better than a year ago. The increase was aided by a 69% gain in contractor sales to $60.9 million and a 40% gain in consumer sales to $66.5 million.

At the 232 Lowe's stores that were open at least a year on June 24, sales rose 51% from the prior year to $126.2 million, officials at the 235-store company said.



A Fred Meyer store in Lynwood, Wash., uses an installation guide with component accessories to promote DIY sales of water heaters.

NHCN photo

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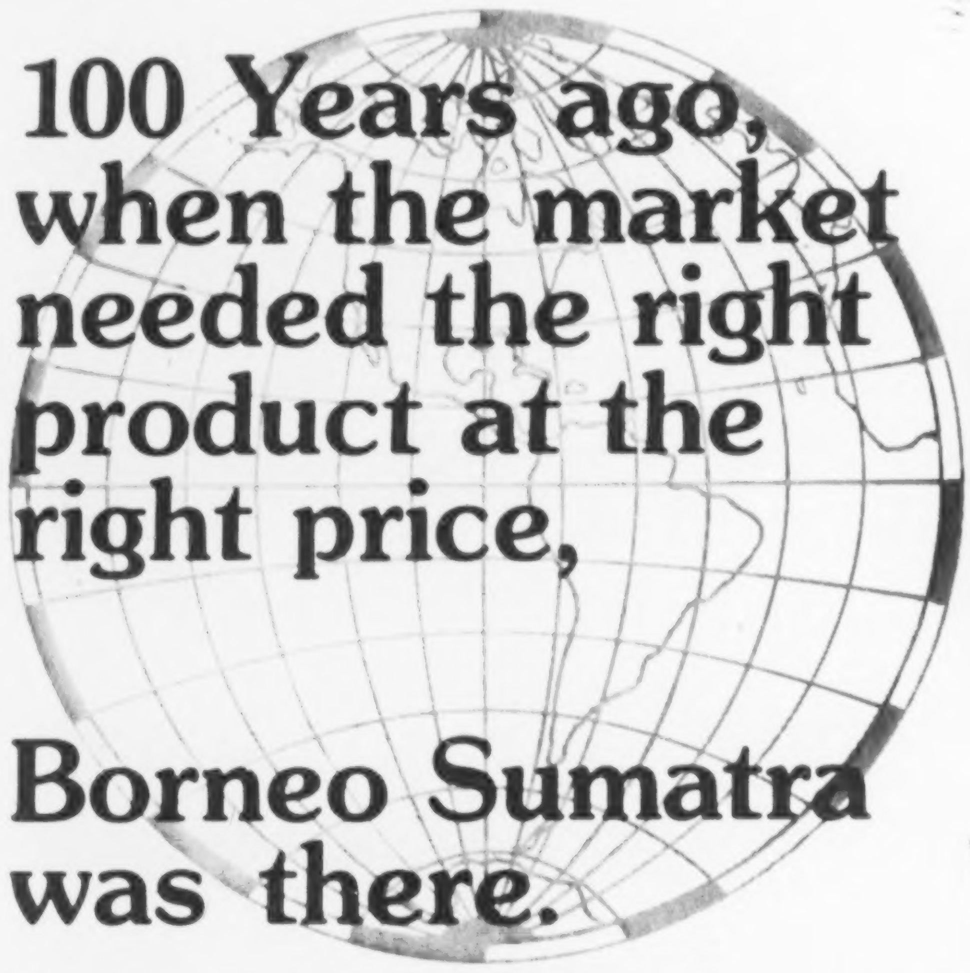

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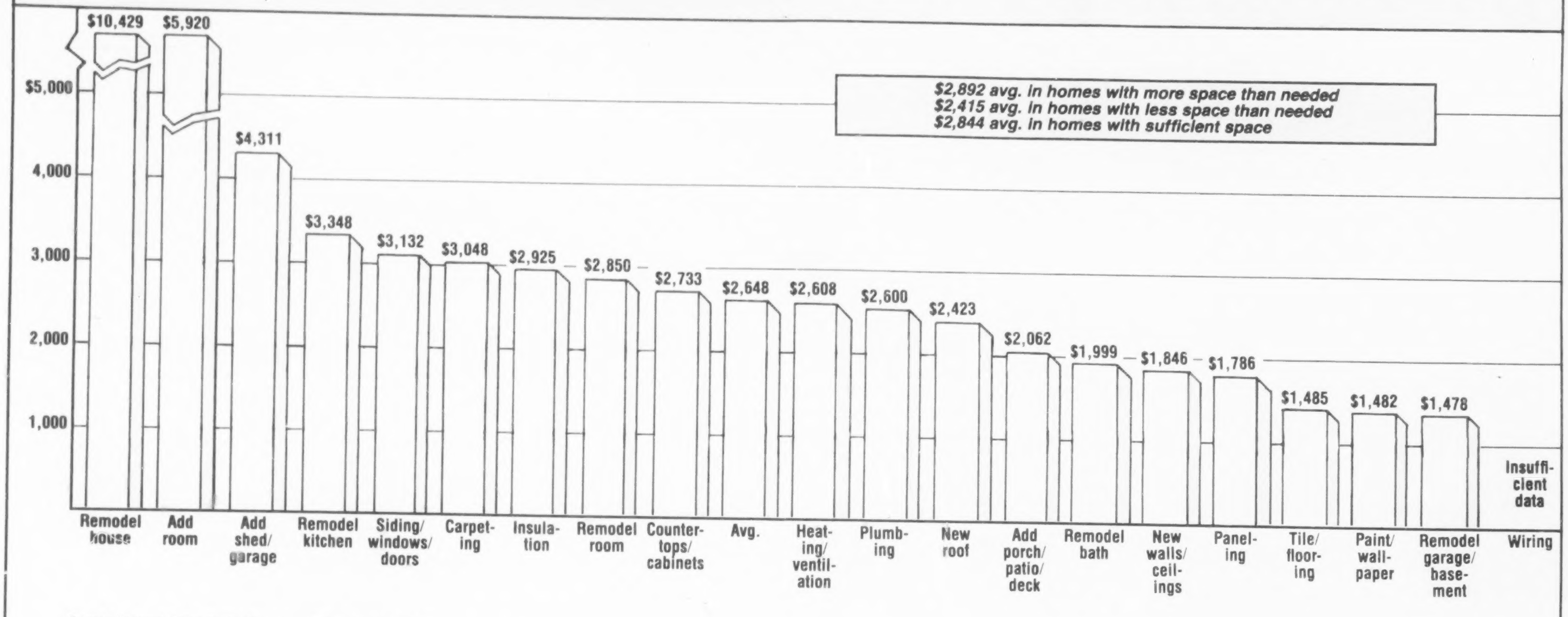
PROJECT ANALYSIS: *Rank by expenditure*



Source: *National Home Center News;* Leo J. Shapiro and Assoc.

The numbers on a project analysis chart in the July 18 *NHCN* 1983 Consumer Attitude Survey were inadvertently transposed. The corrected chart, as it appears above, shows that households that engaged in home improvement projects costing at least $100 last year spent an average of $10,429 to remodel their homes, $2,850 to remodel a room and $1,482 to paint or wallpaper a room.

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Triangle opening 75,000-sq.-ft. retail operation

WILKES-BARRE, Pa.—The Triangle Building Supply Lumber Co., a two-store independent based in Quakertown, Pa., plans to open a 75,000-sq.-ft. retail operation here sometime this summer.

Merchandise manager Kenneth Narsewicz said the new store will take shape in a former King's Department Store on the city's outskirts. The official would not divulge details of the proposed opening, however.

Narsewicz described Triangle as a company which primarily served contractors until entering the retail field less than a year ago. The firm currently operates stores in Quakertown and Bethlehem, Pa.

The proposed Wilkes-Barre store will be located less than a mile from a 95-store shopping mall which includes a 117,000-sq.-ft. Sears and a 173,000-sq.-ft. J. C. Penney. Mall officials said that while Wilkes-Barre itself boasts a population of only 50,000, the surrounding retail market area contains about half a million people.

2,000 firms expected at international expo in Birmingham, Eng.

BIRMINGHAM, England—Interbuild 83, the 40th International Building and Construction Exhibition, will be held here at the National Exhibition Centre Nov. 27 through Dec. 3. Nearly 2,000 companies from 34 countries will be displaying their products and services in more than 1 million sq. ft. of exhibition space.

The show will feature a "Design in Building" section, "Kitchens International," "Heating at Interbuild," and a woodworking machinery area, as well as the complete range of building and construction materials in clearly defined product categories, from flooring, ventilation and tiles to roofing, wallcoverings, plumbing and structural building products.

Further information on Interbuild may be obtained from Eileen Lavine, Information Services Inc., Suite 735, 4733 Bethesda Ave., Bethesda, Md. or by calling 301-656-2942.